

Work Force Restructuring Plan

September 8, 1993

**U. S. Department of Energy
Kansas City Plant
Kansas City, Missouri**

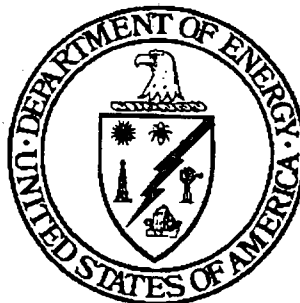


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Introduction

The Work Force Restructuring Plan for the U. S. Department of Energy's Kansas City Plant (KCP) is submitted under the requirements of Section 3161 of the Fiscal Year National Defense Authorization Act (Public Law 102-484). The Kansas City Plant, in Kansas City, Missouri, is operated for the U. S. Department of Energy by AlliedSignal Inc. under prime contract DE-AC04-76-DP00613. The Plant produces and procures nonnuclear components for nuclear weapon systems. General information about the facility and the work force is provided in Attachment 1.

The Plan has been developed using the consultation process described in Section 3161 of the Fiscal Year National Defense Authorization Act and general guidelines provided by the Headquarters Worker and Community Transition Task Force.

Summary

Since early in FY1993, it has been apparent that the funding levels to operate the KCP would be inadequate to maintain the existing work force. Management took the initiative to curtail all but critical hiring and to reallocate existing employees to fill critical vacancies. The Contractor will continue to limit hiring and will use attrition to reduce the work force whenever possible.

In January and February 1993, DOE and Contractor management became aware of additional funding cuts for FY1993 and FY1994. Based on these funding cuts, the DOE and the Contractor announced on April 2, 1993, that a reduction in force of as many as 900 employees would be necessary (Attachment 2). Local bargaining unit leadership was advised of the impending reductions, and the local news media reported the story (Attachment 3).

On May 13, 1993, letters (Attachments 4 and 5) were sent to each of the 4,407 employee stakeholders and 68 regional stakeholders requesting comments on the *DOE General Planning Guidelines for Work Force Restructuring* and the *Outline of Proposed Work Force Restructuring Plan for the Kansas City Plant*, which were attached to the letters. A copy of the *Guidelines* and the *Outline* is included in Attachment 6. A list of the regional stakeholders is included in Attachment 7.

An initial meeting of the regional stakeholders was held by DOE on May 18, 1993. An agenda of that meeting and a list of the regional stakeholders attending the meeting are included in Attachment 8. Written comments were received from eight regional stakeholders. Those comments are included in Attachment 9.

Written responses were received from 544 employee stakeholders--12.3% of the total work force at the Kansas City Plant. Comments related to specific Plan sections have been included in those sections. In addition, the employee stakeholder comments have been summarized and tabulated (Attachment 10). All the comments received, from both regional and employee stakeholders, were considered in the preparation of this Plan.

Following the initial announcement on April 2 that as many as 900 employees would be affected by the reduction in force, additional funding became available which has mitigated the reduction to between 200 and 250 employees (Attachment 11). A voluntary reduction in force (VRIF) program was implemented, enabling 140 workers to leave voluntarily. Unfortunately, the VRIF was insufficient to satisfy the restructuring required and has resulted in 62 hourly workers receiving notice on August 2, 1993 for an involuntary separation with official separation from the contractor on September 30, 1993. Further, 14 salaried workers are scheduled to receive notice for involuntary separation on September 23, 1993 with official separation from the contractor on September 30, 1993. The 62 hourly workers are receiving 60 days notice pay on a weekly basis while the remaining 14 salaried workers will

receive a 60 day lump sum payment. The 76 involuntary separations will be off the payroll as of September 30, 1993. There were 19 other workers affected who have been transferred to other jobs at the plant.

The Plan represents a collaborative effort among stakeholders ranging from the U.S. Department of Energy in Washington, Albuquerque, and Kansas City, to the AlliedSignal management staff, and Contractor employees at the Kansas City Plant, to the federal, state, and local organizations included in the regional stakeholder list.

Leaders of the three bargaining units at the Kansas City Plant were consulted during the development of the Plan and the AFL-CIO state coordinator was involved in the stakeholder meeting held on May 18. The bargaining units have also been involved in outplacement planning through Project Refocus.

DOE held a second Kansas City Plant stakeholder meeting on June 8, 1993. Eight stakeholders, including representatives of Kansas Senator Bob Dole, INROADS, the Missouri Department of Economic Development, the U. S. Department of Labor, the Kansas City Economic Development Corporation, and Webster University, plus a senior executive from a local engineering firm and the mayor and city manager of Belton, Missouri, participated in the meeting. The primary concern expressed at the meeting had to do with the proposed level of financial support provided for tuition assistance for those affected by the work force restructuring. As a result of this concern, the tuition assistance amount has been doubled, to \$5,000 per year, from the original proposal of \$2,500 per year.

DOE and Contractor management personnel will utilize their involvement in the Federal Executive Board, Economic Development Council, the Private Industry Council/Full Employment Council, and other community organizations to ensure community awareness of the impact of the restructuring plan and to solicit information about job possibilities for displaced workers. More than 50 members of the Contractor management staff have leadership roles in area community organizations ranging from the Urban League and the Mid-America Regional Council to the boards of regents of area universities and the Greater Kansas City Chamber of Commerce.

The Plan proposes full compliance with notification schedules. A voluntary separation plan, with enhanced pay for employees in long service categories, has been implemented to encourage a maximum number of voluntary separations.

Throughout the work force restructuring process, full compliance will be maintained with applicable Equal Employment Opportunity laws and related DOE directives. Every effort will be made to ensure that any required involuntary reduction in force is implemented in a manner consistent with the fair and equal treatment of all employees.

Priority consideration and outplacement assistance will assure maximum opportunities for displaced workers to secure other employment. Extended medical benefits and retraining

activities with continuing educational (tuition) assistance will be provided as transition benefits. Ongoing communications will play an important role in keeping the employees informed.

A reimbursement authorization has been approved by DOE to provide funding to cover the costs associated with implementing the voluntary reduction in force. In addition, DOE and Contractor representatives are working closely with labor organizations and local, state, and federal agencies to explore the possibility for other funding which could lessen the impact of the restructuring on individual employees and on the communities in which they live.

The Plan ensures a continuing competent work force to carry on the mission and assignments of the Department of Energy and the Kansas City Plant.

Objectives

This Plan has three major objectives.

- o The Plan seeks to mitigate the negative economic and social impact on individual employees who will be losing their jobs at the KCP.
- o Assure that the remaining employees constitute a work force with the skills necessary to continue the mission of the KCP for the Department of Energy, including the reconfiguration of the weapons complex.
- o The Plan seeks to identify opportunities to minimize the negative consequences on the Kansas City area as employees transition to other employment.

Voluntary Separation

The Plan contains an enhanced separation pay program which mirrors the package used in the 1992 reduction in force at the KCP. This program provides an additional level of separation pay for employees, particularly those in long service categories, and an enhanced separation payment schedule (Attachment 6).

As in the 1992 reduction at the KCP, DOE has been assured that the appropriate skills remain in the work force to meet mission requirements. The number of applicants accepted for the voluntary program has been managed by limiting the classifications that may apply for the VRIF by excluding all levels (including associate, detail, junior, senior, staff, apprentice, trainee, working group leader, or set-up) of the following classifications:

- Administrative Analyst
- Administrative Clerk
- Administrative Specialist
- Attorney
- Auditor
- Business Systems Analyst
- Buyer
- Chemist
- Chief Clerk
- Chief Clerk, Material Control Inventory
- Clerk, Accounting
- Clerk, Data Processing
- Clerk, Mail Services
- Cost and Budget Analyst
- Data Base Analyst
- Designer
- Drafting Specialist
- Editor, Employee Publications
- Electrician
- Engineer, Facilities
- Engineer, Fire Protection
- Engineer, Safety
- Engineer (Chemical, Machining Process, Welding, and those in ES&H)
- Environmental Protection Specialist
- ES&H Coordinator
- ES&H Training Specialist
- Excess Property Management Representative
- Excess Property Management Specialist
- Facilities Operations Specialist

Freight Classification Clerk
General Machinist, Manufacturing
Industrial Hygienist
Legal Assistant
Lieutenant, Physical Security
Machine Repairperson
Maintenance Planner
Material Control Clerk
Media Specialist
Millwright
Mobile Industrial Equipment Mechanic
Nurse
Organizational Development Specialist
Operating Engineer
Physician
Photo Tooling Fabricator
Pipefitter
Plater
Production Planner
Programmer/Analyst, Staff (Senior)
Repair, Modification & Conversion Worker
Secretary
Secretary, Administrative
Secretary, Executive
Secretary to President
Security Officer
Security Police Officer
Sergeant, Fire Protection
Sergeant, Physical Security
Sheet Metal Worker
Statistician
Supervisor, Environmental & Health Protection
Supervisor, ES&H Training
Supervisor, Fire Protection
Supervisor, Fire Protection Engineering
Supervisor, Safety
Supervisor, Utilities Operations
Supervisory Nurse
Systems Programmer
Technical Librarian
Technical Surveillance Countermeasures Specialist
Technologist, Audio-Visual
Technologist, Energy Conservation
Technologist, Environment, Safety & Health

Technologist, Medical Laboratory
Technologist, Radiologic
Telephone Operator
Teletype Operator
Transport Fabricator
Travel Specialist
Word Processing Specialist

Classification Breakdown

The classifications of employees which have been accepted as part of the voluntary reduction in force, the number of each classification accepted, and the number of employees in each classification who will be affected by the involuntary reduction in force are listed below.

Hourly Classification	VRIF	IRIF
Assembler-Adjuster, Special Precision	3	9
Cafeteria Worker	2	0
Chemical-Material Handler	1	0
Electronic Assembler	17	41
Electronic Equipment Technician	3	0
Inspector, Electrical Mechanical	4	10
Inspector, Electronics Performance	7	4
Inspector, Gage Repair and Calibration	1	0
Inspector, Physical Testing	1	1
Inspector, Tool and Precision Gage	2	0
Laborer	6	0
Model Maker	1	0
Plastic Fabricator & Mechanical Assembler	2	2
Production Tester, Electronic	2	4
Pattern Circuit Fabricator	0	4
Timekeeper	0	2
Tool and Die Maker	4	0
Welder	1	3
Working Group Leader, Inspector, Elec. Performance	1	0
Working Group Leader, Inspector, Physical Testing	1	0
X-Ray Operator	0	1
Total Hourly	59	81*
Net	59	62
Total hourly leaving the Plant		121

*19 hourly employees were transferred to the maintenance and transportation departments.

Salaried Classification	VRIF	IRIF
Accountant (Senior)	1	
Computer Operator	1	
Computer Operator (Senior)	1	
Data Processing Equipment Operator	1	
Director, Facilities Management	1	
Electronic Equipment Technician	1	
Engineer	1	
Engineer (Senior)	1	
Engineer, Industrial, Staff	3	
Engineer, Principal	1	
Engineer, Process (Senior)	1	
Engineer, Process Specialist, Staff	2	
Engineer, Staff	20	
Engineer, Staff (Senior)	2	
Engineer, Technical Support, Staff	1	
General Supervisor, Test Equipment	1	
Management Development Specialist	1	
Manager, Accounting	1	
Manager, Engineering	2	
Manager, Facilities Engineering	1	
Manager, Program Management	1	
Metrology Specialist	2	
Numerical Control Analyst (Senior)	1	
Program Coordinator	1	
Project Engineer (Senior)	6	
Project Engineer, Facilities	1	
Section Supervisor, Data Processing	1	
Section Supervisor, Information Systems	1	
Section Supervisor, Production Control	3	
Supervisor, Administrative Services	1	
Supervisor, Inspection	1	
Supervisor, Manufacturing	1	
Supervisor, Purchasing	1	
Supervisor, Stores	1	
Supervisor, Waste Handling & Recovery	1	

Salaried Classification (continued)	VRIF	IRIF
Technical Programmer Analyst (Senior)	2	
Technical Programmer Analyst, Staff	1	
Technical Project Specialist	1	
Technologist, Engineering	1	
Technologist, Engineering (Senior)	8	
Vendor Contact Field Representative	1	
Total	81	14**

Total Salaried	95
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**The final portion of the 1993 RIF will reflect continued downsizing of supervisory positions. Most impacted will be supervision in the Inspection and Manufacturing operations.

Cost Information

	Voluntary Hourly	Voluntary Salaried	Voluntary Combined
Headcount	59	81	140
Separation Pay	\$891,119	\$3,109,961	\$4,001,080
60 Day Notice Pay	298,573	795,032	1,093,605
Saving Plan		63,060	63,060
Insurance	52,857	59,218	112,075
FICA	91,011	298,732	389,743
*Educational Assistance	10,105	20,705	30,810
Outplacement Assistance	30,000	45,000	75,000
TOTAL FY1993	\$1,373,665	\$4,391,708	\$5,765,373
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*FY1994 Educational Assistance	20,000	40,000	60,000
FY1994 Insurance	10,572	111,105	121,677
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*FY1995 Educational Assistance	10,000	20,000	30,000
FY1995 Insurance	62,260	61,290	123,550

***Note:** Educational assistance payments for FY1993 are based on actual expenditures incurred as of the writing of this Plan. Subsequent years are estimated based on FY1993 experience.

	Involuntary Hourly	Involuntary Salaried	Involuntary Combined
Headcount	62	14	76
Separation Pay	\$ 0	\$152,778	\$152,778
60 Day Notice Pay	336,028	91,750	427,778
Saving Plan	0	0	0
Insurance	29,151	0	29,151
FICA	25,706	34,535	60,241
*Educational Assistance	6,200	0	6,200
Outplacement Assistance	20,000	5,000	25,000
TOTAL FY1993	\$417,085	\$284,063	\$701,148
*FY1994 Educational Assistance	10,000	5,000	15,000
FY1994 Insurance	310,938	56,700	367,638
*FY1995 Educational Assistance	5,000	5,000	10,000
FY1995 Insurance	180,554	32,088	212,642

***Note:** Educational assistance payments for FY1993 are based on actual expenditures incurred as of the writing of this Plan. Subsequent years are estimated based on FY1993 experience.

Stakeholder Input: Employee stakeholders recommended the use of retirement incentives, including the addition of years to age and service, enhanced bridging features to reach pension eligibility, and the elimination of reduction factors. The recommendations were evaluated and it was concluded that current retirement programs and the enhanced separation package are competitive in the market. The addition of retirement incentives would be consistent with prevailing industry practice.

Summary of Cost Estimates

	FY1993 \$	FY1994 \$	FY1995 \$	Total \$
Educational Assistance	\$37,010	\$75,000	\$40,000	\$152,010
Relocation Assistance*	0	0	0	0
Local Community Impact Assistance**	0	0	0	0
VRIFs				
Separation Pay	4,001,080	0	0	4,001,080
60-day Notice	1,093,605	0	0	1,093,605
Savings Plan	63,060	0	0	63,060
Fica	<u>389,743</u>	<u>0</u>	<u>0</u>	<u>389,743</u>
Sub-Total	5,547,488	0	0	5,547,488
Severance Pay and Other Separation Costs				
60-day Notice	427,778	0	0	427,778
Separation Pay	152,778	0	0	152,778
FICA	<u>60,241</u>	<u>0</u>	<u>0</u>	<u>60,241</u>
Sub-Total	640,797	0	0	640,797
Outplacement Assistance	100,000	25,000	0	125,000
Displaced Worker Health Benefits				
VRIF	112,075	121,677	123,550	357,302
IRIF	<u>29,151</u>	<u>367,638</u>	<u>212,642</u>	<u>609,431</u>
Sub-Total	141,226	489,315	336,192	966,733
Total	\$6,466,521	\$589,315	\$376,192	\$7,432,028

*Experience with this and prior RIFs indicate that no relocation costs will be likely.

**While the Kansas City Plant is a major employer in the area, this relatively small reduction in force will have negligible impact on the Kansas City Area.

Involuntary Separation

The voluntary separation program is being followed by an involuntary reduction in force necessary to meet the required reductions. The involuntary reduction in force is being conducted in accordance with the provisions of the appropriate collective bargaining agreement for represented employees and past practice for the separation of salaried employees. A detailed listing of classifications and quantity within each classification impacted by the involuntary reductions is provided in the Classification Breakdown section.

Stakeholder Input: Employee stakeholder input indicated an interest in advance announcement of the job classifications and numbers of employees in each classification to be affected by a work force reduction. This input has been considered and the broad categories of management/supervision, electrical and mechanical fabrication and assembly, and inspection were identified as having surplus personnel.

Retention of Critical Skills

The current mission of the Kansas City Plant's to produce and procure nonnuclear electrical, electronic, electromechanical, mechanical, plastic and metal components for nuclear weapons. That mission was reaffirmed on May 27, 1993, when the Secretary of Energy announced the DOE's intention to proceed with plans to consolidate nonnuclear weapon manufacturing activities at the Plant. Furthermore, the environmental assessment required for implementation of the consolidation plan was concluded with a finding of no significant impact by the Secretary of Energy on September 8, 1993. Therefore, the Kansas City Plant will continue to maintain the procurement and production responsibilities previously assigned, while planning to implement newly assigned activities transferred from the Mound, Pinellas, and Rocky Flats plants.

The critical skills required to support the mission assignment will be maintained at the Kansas City Plant through a series of management analyses undertaken as part of the work force restructuring program.

- o All critical skills were excluded from the voluntary separation program. These exclusions--and the rationale for them--were communicated at the time the voluntary separation program was announced.
- o Each application for the voluntary reduction in force was individually reviewed and appropriate limits were imposed on the number of applications which were approved from any one division and any one job classification.
- o Following the conclusion of the voluntary reduction, the remaining work force was analyzed to determine where further reductions could be made without impacting the Plant's ability to accomplish its current mission, including nonnuclear consolidation. The involuntary reduction in force will affect only those employees in classifications where losses can be absorbed.

Human resources planning associated with the consolidation effort has focused on the transfer of critically skilled personnel from the donor sites to assure continued technical competencies in the production activities being assigned to the Kansas City Plant. However, the Kansas City Plant work force has a wide range of expertise. Those resident skills make it possible to transfer the technologies from the donor sites with limited impact and cost.

A training plan has been developed to address the potential skills enhancement needs associated with consolidation. The plan focuses on two areas: training for personnel who will have to operate unfamiliar equipment, and process training for personnel transferred to Kansas City from other sites. That process training will range from Contractor and site orientations to work directions specifically associated with Kansas City Plant operations. In both areas, training expertise is already in place at the Kansas City Plant. The Kansas City Plant will continue current training in job skills, personnel skills enhancement, and environment, safety, and health initiatives for all employees.

Outplacement Assistance and Priority Consideration

A team of bargaining unit and salaried employees has been formed to provide assistance to those affected by either the voluntary or involuntary reduction in force. More than 40 transition team members, representing salaried personnel and two union locals, have been trained.

Also, an Outplacement Assistance Center has been established to provide information to employees affected by this downsizing, to assess individual skills and interests, and to offer services that will help employees match their skills and interests to possible positions within the KCP, other DOE facilities, other AlliedSignal locations, the Kansas City area, and other geographic locations with employment opportunities. At the Outplacement Assistance Center, the Department will provide access to the nation-wide Interstate Job Bank for all interested employees which was established in accordance with section 4468 of the National Defense Authorization Act (P.L. 102-484). Additionally, the Department is working with the Department of Defense in implementing Section 4443 of the National Defense Authorization Act (P.L. 102-84) which will allow DOE defense contractor employees to apply for available positions as elementary and secondary school teachers.

The DOE has a plan to provide priority consideration to affected employees in any hiring conducted at other DOE facilities. As the KCP workforce is repositioned to accept work transferred from other DOE sites, all DOE Contractor sites are contacted to publicize job opportunities. Thus far these have included positions in drafting, machining engineering, and purchasing. In addition, other locations will be informed of the availability of individual employees through a corporate resume referral program.

If an affected employee is hired by another DOE facility and that facility does not have relocation funds available, the KCP will provide financial assistance for relocation. The Plan proposes relocation assistance for reasonable and actual expenses incurred.

Placement Services

Near Term Assistance

Comprehensive job placement services will be provided and are designed to expedite employees' transition to their next employment opportunity. The following services, information, and training programs will be offered to employees following notification of termination.

- o **Job Search Techniques.** A one and one-half hour training session covering topics such as job search preparation, the job search itself, and accepting the right job.
- o **Resume Writing.** Resume writing is a training program that teaches current resume formats, styles and objectives. During the program, trainees construct an outline of their own resume, and individual consultation is available after class to further refine the product. A comprehensive workbook is also provided as a handout.
- o **Interviewing Techniques.** This one and one-half hour session includes such topics as dressing for the interview, behaviors during the interview, questions to expect and how to respond, and the interview follow-up.
- o **Benefits Meetings and Counseling.** All employees are scheduled to attend a meeting where termination and outplacement benefits are carefully explained. Included in the meeting are explanations of health and life insurance, social security and retirement benefits, and savings plan distributions.
- o **Rapid Response Program.** Rapid Response is an umbrella term given to a series of informational presentations that are coordinated by the Missouri Division of Job Development and Training. Separate agencies included in the session are the Missouri Job Service, Kansas Dislocated Worker Program, Full Employment Council, and Operation Refocus. Explanations of the services provided by each of these agencies is carefully explained during initial two-hour meetings. Further meetings are scheduled depending on the interest indicated by departing employees.
- o **Health Care Resources Center.** Representatives of the Health Care Resource Center are available to discuss opportunities in the health care field with interested employees.
- o **Employee Assistance Program.** A psychologist under contract to the Contractor employee assistance program provider, EAP Inc., provides one-on-one counseling sessions by appointment. Continuing access to this program will be provided for two years.

- o **Resume Preparation.** Resume preparation and distribution services will be provided whereby resumes and cover letters are typed and mailed, at employees' request, to prospective employers. This service will be provided for an indefinite period. Former employees terminated in the April 1992 reduction in force are still requesting and receiving resume services.
- o **Job Search Center.** The Job Search Center provides a central location within the KCP for employees to investigate job opportunities. Among the services available in the Center are notebooks listing the addresses, contacts and hiring status of local and national companies, including other DOE contractor and AlliedSignal divisions; telephone availability for local and long distance business calls; literature from companies offering financial consultation; and Transition Team members offering information about community service organizations. As of September 3, 1993, a total of 1,565 national and Kansas City area companies have been contacted to determine what their employment requirements are; openings were reported by 348 of these companies.
- o **Transition Team.** The team is comprised of incumbent salaried and bargaining unit active employees who volunteer to participate in the program. The Transition Team program is coordinated by the AFL-CIO, under a contract with the State of Missouri. Transition Team members attended a two-day training program which consisted of multiple presentations from a variety of metropolitan area community service agencies. Presenters explained the services provided by their organizations and supplied other information. Transition team members counsel with separated employees, staff the Job Search Center, prepare information bulletins, and conduct follow-up surveys with the separated employees.

Long Term Assistance

After employees are separated, additional services will be provided. A grant request is being prepared to secure funds through the Job Training and Partnership Act. The grant application is a cooperative effort involving the DOE, Contractor human resources personnel, bargaining unit leadership, the metropolitan Kansas City Full Employment Council, and the State of Missouri. Upon grant approval, the funds will be dispersed through Project Refocus, a Kansas City job transition center. Project Refocus personnel will provide counseling, assessment, job development and funding for education and training. The grant is expected to operate for 18 months.

In conjunction with the services provided through the grant funds, an enhanced educational assistance program will be provided. Under the plan, separated employees will have access to a maximum of \$5,000 per year for two years. The funds can be used to update skills and knowledge and provide retraining as required. The benefit will cover the cost of tuition and laboratory fees. Fees for books, activities, parking, testing or graduation will not be covered under this plan; however, it is expected that these expenses will be covered by grant money.

This plan differs from the current educational assistance program in that the intent of this plan is to help separated employees find other employment, whereas the existing plan for incumbents is designed to upgrade employees' skills and knowledge in their current position, or to prepare them for a future position with the Contractor.

Training for the Retained Work Force

The Department and the Contractor have a long history of commitment to employee training and development. In recent years, the focus has been on large scale training efforts in computer use; environment, safety and health; flexible manufacturing system operation; statistical process control; and root cause analysis. Moreover, a continuous evolution in the use of human resources has been supported through training and development efforts in team building and total quality leadership.

Training and development entities exist within appropriate organization units. Training administration, management development, apprentice training, and educational assistance are centralized within the human resources organization. Individual operating divisions such as engineering and information systems, manufacturing, and quality offer specific training to meet their business needs.

A number of training and development efforts will have significant impact on training the retained work force during the next two years.

- o **Management/Employee Development.** More than 50 managers and supervisors will attend a five-day AlliedSignal leadership workshop. In addition, the entire work force is offered the opportunity to participate in skill development programs such as effective briefing, meeting management, interpersonal problem solving, time management and effective business writing. Each of these programs is offered an average of ten times annually. Other short, high-impact educational programs are offered to Contractor employees, including sessions on developing creative skills, polishing communication skills, being productive under pressure, and self leadership and empowerment. In 1993 and 1994, approximately 3,000 employees are expected to attend these and other development training courses.
- o **Manufacturability Curriculum for Engineers.** This curriculum is designed to include 20 courses varying from one to three days each. Eight courses are active now and five are in development. Courses being offered that are of particular benefit to the technical staff include statistical basics, design of experiments, just-in-time, project engineering, analysis techniques, and quality function deployment. The Manufacturability Curriculum provides an educational resource to aid in implementing current manufacturing engineering concepts, and revolves around three themes: process understanding, manufacturing methods, and design interface.
- o **Apprenticeship Training.** Because of budget reductions in recent years, the Contractor apprenticeship program has been reduced from three programs to one. The tool and die maker and pipefitter apprenticeship programs were suspended in 1992; however, the electrician apprenticeship program remains intact and viable.

This 8000-hour program is approved by the Department of Labor and currently includes ten trainees. Courses are taught in electrical motor control, semiconductor theory and hydraulics, and on-the-job training is provided by journeyman electricians. In addition, technical training courses in basic electricity, introduction to computers, and semiconductor theory are provided to the plant population based on need.

- o **ES&H Technical Training.** Approximately 50 performance based ES&H training courses will be provided to employees in the following basic categories: emergency management, environmental protection, fire protection, industrial hygiene, safety, and waste management.
- o **Workplace Education Courses.** These basic skills courses include reading, mathematics, and GED programs. Approximately 35 employees are currently enrolled in the confidential one-on-one reading program. The program consists entirely of volunteer tutors who, using the Laubach literacy program, teach reading to employees. Tutors and students work together one hour each week on paid time. The Laubach math program consists of individual and group study of a programmed math curriculum. Approximately 50 employees are now active in the program. In addition, 12 students are participating in the GED program, and 12 have received high school diplomas through the program during the past 18 months.
- o **Personal Computer Training.** Vendors provide training on more than 50 software packages both on-site and off-site.
- o **Manufacturing Training.** A manufacturing training department provides performance based training to manufacturing personnel. Solder/inspection and surface mount certification and recertification programs will be provided in 1993 and 1994. Specific skills training will be conducted based on job duty and job safety requirements.
- o **Quality Certification Programs.** Quality programs to be conducted during the next two years include a certified quality engineer review program, a certification program for engineering technologists, a quality assurance certification program, and an inspection qualification program.
- o **Test Equipment Engineering Design Training.** Initiatives consist of courses in optoelectronics, CAD, advanced grounding and shielding, programming in C++, radio frequency printed circuit board design, and RF techniques.
- o **Educational Assistance Program.** Employees are advanced the cost of tuition and laboratory fees to attend accredited educational institutions. Each semester five to fifteen employees graduate from local educational institutions. In 1992, a total of 611 employees participated in programs sponsored by the educational assistance program and educational support totaled \$509,546.

As the chart in Attachment 12 illustrates, employees at the Kansas City Plant have steadily increased their use of the educational assistance benefit over the past ten years. Many employees have done so to enhance their skills and make themselves more competitive for other positions at the Kansas City Plant. Employees are now being encouraged to enhance their marketability for other jobs as the weapons complex continues to downsize.

Through the educational assistance program, specialized learning projects are funded. Credit and non-credit courses are offered through National Technological University (NTU) satellite programs. Several employees have attended classes as part of the NTU Hazardous Waste Management graduate degree program. In addition, the University of Missouri-Kansas City operates the Kansas City Educational Network (KC-EDNET). Through KC-EDNET students can receive graduate and undergraduate programs from the University of Missouri at Columbia and Kansas City, the University of Kansas, Kansas State University, and Central Missouri State University. Employees also attend after hours credit classes on-site in English, mathematics, American history, and microcomputer applications, provided by Longview Community College and funded through the Educational Assistance Program.

- o **Grant Proposal.** A grant proposal (separate from the one for outplacement services) has been submitted to the Missouri Customized Training Program to fund additional training initiatives for which monies are not currently available. The grants are designed to help employers offset training costs for new and existing employees. Funding was requested for these 17 separate training projects:

Carcinogen Awareness	\$15,575
Hearing Conservation	6,860
Hazardous Materials Handling	13,100
Fire Equipment	14,100
Materials Transport Systems	20,575
Power Press	9,600
Power Tools	10,100
Welding	16,600
Transportation	23,100
Laboratory Procedures	28,475
Confined Space	9,100

Bloodborne Pathogens	8,550
LLA Tutor	13,770
Electrical/Electronics	24,311
Digital Electronics	16,841
Statistical Process Control	24,311
Basic Skills	47,375
TOTAL	\$347,694

The need for a highly competent, well trained, and educated work force is recognized, therefore, lifelong learning among all employees is encouraged, but especially within systematically identified technical areas where the marketplace is most competitive and where the needs are most imperative.

Stakeholder Input: The establishment of the Outplacement Assistance Center and access to outplacement services and the Employee Assistance Program are responsive to input received from employee stakeholders. In addition, the coordination with local job service organizations is responsive to input received from community stakeholders. No substantive stakeholder input was received on priority hiring consideration.

Benefits Continuation and Retraining

In accordance with the guidance in the Report of the Secretary of Energy on Displaced Worker Health Benefits and Monitoring (August 1992), extended medical insurance benefits will be provided to qualifying employees separated voluntarily or involuntarily. These benefits will be provided for up to three years from the date of separation if the employee is on the employment rolls as of September 27, 1991, is covered under the Contractor's Plan at the time of separation from employment, and is not eligible for coverage under another employer-sponsored group health plan or under Medicare since the date of separation.

The extended medical benefits provide coverage at the active employee contribution rate during the first year. During the second year, the separated employee would contribute half the cost. Access to the extended medical benefits would be provided during the third year at full cost to the separated employee.

The Plan proposes that supplemental training programs, including outside training and tuition assistance (up to \$5,000 per individual per year), be provided to displaced employees for up to two years from the date of separation to provide retraining and prepare them for other employment opportunities.

Additionally, the Department is working with the Department of Defense to provide access to environmental scholarships for displaced DOE workers in accordance with section 4451 of the National Defense Authorization Act (P.L. 102-84). DOE staff will also work with institutions of higher education who may apply for grants for this program under section 4452.

Other employment opportunities in the Kansas City area are considered limited (Attachment 13) and are becoming more limited. According to the director of Project Refocus, the average hourly rate for separated workers reentering the job market over the last two years has declined from \$11 to \$8.80 per hour.

Stakeholder Input: A favorable response was obtained from stakeholders (employees and outside organizations) on medical benefits continuation and retraining assistance programs as described in the Outline of the Work Force Restructuring Plan. As a result, the Plan implementation will emphasize these areas and particular attention will be directed toward enhancement of existing training programs and development of new programs specifically for emerging career fields and employment opportunities. Stakeholder input was instrumental in establishing the higher limit of \$5000 per individual per year on tuition assistance.

Community Assistance/Communication

DOE and the Contractor will assure community awareness of work force restructuring efforts by sharing information about anticipated changes in employment levels with key stakeholders and the public media.

DOE has held two meetings with outside stakeholders to review anticipated actions relating to work force restructuring. Federal, state, and local support agencies, elected officials, area business and civic leaders and key educators have been included in these meetings and have indicated their support of efforts to facilitate the work force restructuring with a minimum impact on the community and the work force involved.

DOE and the Contractor will also facilitate the formation of groups of community leaders concerned with the impact of the restructuring and will assist in the development of community impact assistance where it is warranted.

Historically, the Kansas City Plant has had an annual attrition rate ranging from 6.2% to 7.2% (Attachment 14). The statistics shown in Attachment 15 for CY1992 and thus far in CY1993 are artificially low principally because of the 1992 reduction in force and the 1993 reduction. The Plant is perceived as an outstanding place to work and, other than retirements and reductions in force, movement out of the work force is relatively small. In the past, other area employers have reacted positively to the availability of skilled employees from the Kansas City Plant.

DOE and Contractor management is committed to continuing a strong communication and information sharing initiative to keep the work force and community fully informed to maximize understanding of the Plan objectives and programs. Such information sharing will serve to reduce rumors, limit misinformation and bolster morale. Beginning in April, when anticipated budget and workload levels made it clear that some sort of work force restructuring would be required, DOE and Contractor management communicated clearly and frequently with employees at the Kansas City Plant. Extensive use has been made of employee publications and the internal television communication network to keep employees informed of factors which could impact them. Feedback from employees throughout the process has been positive regarding the level and amount of information about the work force restructuring effort that has been shared with them.

Stakeholder Input: Favorable response has been received on the effective and timely communication of issues relating to the work force restructuring. The expectation (and plan) is that all media resources will be used to maintain this communication effort during the Plan implementation and beyond. High priority will be placed on ensuring that information regarding the futures, livelihood, and family well-being of employees is shared with them before it is shared with the public media.

Other Considerations

Funding opportunities under Title IV of the Fiscal Year 1993 Defense Appropriations Act is actively being pursued. Under Title IV, \$471.6 million has been appropriated for the Technology Reinvestment Project (TRP), with \$87 million of that funding targeted for manufacturing education and training.

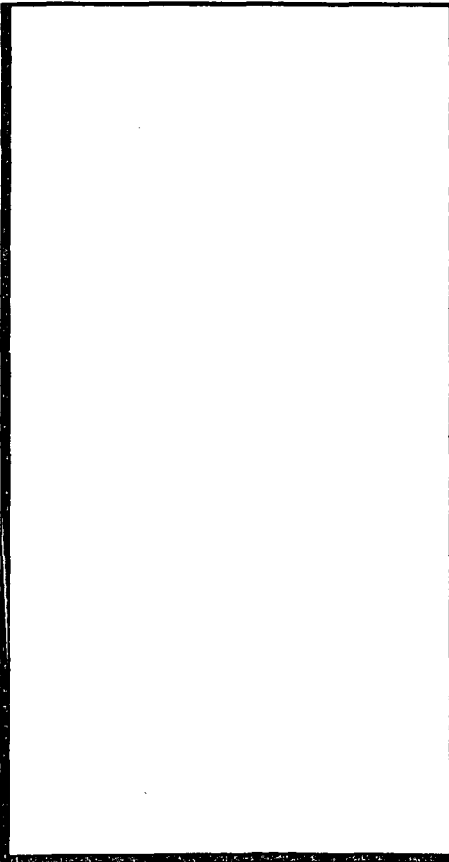
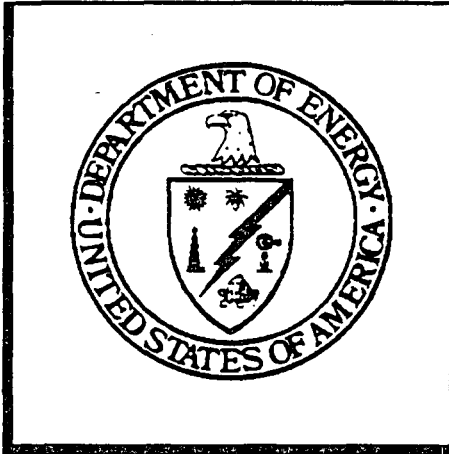
The DOE and the Contractor are collaborating on a proposed TRP with the University of Missouri-Rolla, Kansas State University-Pittsburg, the Kansas City Metropolitan Junior Colleges, and the Mid-America Manufacturing Technology Center. The joint proposal focuses on rapid identification of manufacturing needs, electronic data transfer, prototype hardware fabrication, and advanced manufacturing education. The proposal was submitted in late July and will be reviewed by a joint Department of Commerce, Department of Energy, National Science Foundation, National Aeronautics and Space Administration, and Advanced Research Projects Agency committee by the end of the fiscal year.

There is significant competition for the funding available. Approximately 3,000 proposals were submitted and with only \$471.6 million available, the likelihood that the Kansas City proposal will be funded is uncertain. At best, no funding is expected to be available until late FY1993 or early FY1994.

Conclusion

The Plan includes the objectives and programs for the effective implementation of Section 3161 in the work force restructuring of the KCP. This plan will be updated annually or more frequently if significant work force changes dictate. The Plan is responsive to 1993 and beyond with the flexibility to continue as a working document, accommodating future improvements and modifications.

***Attachment 1
Fact Book for the
Kansas City Plant***



Kansas City Division Facts and Statistics

May 1993

**AlliedSignal Inc.
Kansas City Division
Community Relations Department**

AlliedSignal Inc.

The Allied Corporation was founded in 1920 as Allied Chemical & Dye Corporation to serve the needs of a single industry — chemicals. Today, the company is one of the nation's leading industrial organizations, employing more than 89,500 people. Bendix joined the Allied group of companies when shareholders approved the Bendix/Allied merger at a special meeting on January 31, 1983. The Allied/Signal merger was approved at a September 18, 1985, special shareholders meeting. On November 20, 1985, Allied announced the spin-off of a \$3 billion group of companies which became the Henley Group.

AlliedSignal's three major areas of business are aerospace, automotive, and engineered materials.

AlliedSignal Inc.
101 Columbia Road
P. O. Box 2245
Morristown, New Jersey 07960-2245
201/455-2000

Lawrence A. Bossidy
Chairman and Chief Executive Officer
(since July 1, 1991)

Annual Meeting: Monday preceding the last Tuesday in April.

Ranked 36 on the 1993 *Fortune* 500 list.

Sales: \$ 12 billion (CY 1993)

Employment: 89,582



Printed on
recycled paper.

The Kansas City Division

AlliedSignal Inc.
Kansas City Division
2000 East 95th Street
P. O. Box 419159
Kansas City, MO 64141-6159
Telephone: (816) 997-2000
FAX: (816) 997-3331 (general)
FAX: (816) 997-7259 (public affairs)

AlliedSignal Inc., manages and operates a 3.2 million square foot federally owned facility under a contract with the U.S. Department of Energy. The Kansas City Division produces and procures non-nuclear electrical, electronic, electromechanical, mechanical, plastic and metal components for nuclear weapons. The company has operated the plant since 1949.

Vision

We will be the preeminent and, eventually, the sole supplier of non-nuclear components within the Department of Energy Weapons Complex and — positioned to pursue new business opportunities.

Core Values

- *Uncompromising quality*
- *Total individual and team commitment*
- *Mutual respect, trust and integrity*

Goal

Continuous improvement, involving everyone, in everything we do.

Mission

- *Serve the Department of Energy by responsibly operating and managing the Kansas City Division.*
- *Produce quality products and provide service on schedule and with optimum cost management consistent with contracts and agreements.*
- *Conduct our business according to the highest ethical standards.*
- *Provide a safe, environmentally clean and healthy workplace.*
- *Foster a respectful working environment.*
- *Fulfill our social responsibilities to the community.*

**Kansas City Division
Organization**

President - Louis W. Smith

- D/010 - Management Staff
- D/200 - Program Management - A. Kent Thoeni
- D/400 - Quality - Chester Thompson Jr.
- D/700 - Controller - Ronald F. Pippert
- D/1100 - Total Quality Management & Planning -
Mark J. Kahnke
- Counsel - David A. Sosinski
- Audits - James A. Crossley

Vice President, Administration - Karen K. Clegg

- D/100 - Facilities Management - Burris G. Wilson
- D/500 - Human Resources - Charles D. Miller
- D/1000 - Test Systems, Components & Tooling
Engineering - Dale W. Clements
- D/900 - Environment, Safety and Health -
Karen K. Clegg (Acting)
- D/010 - Management & Operating
Accountability - Donald L. Willyard

Vice President, Operations - John A. Morrison

- D/300 - Manufacturing Operations -
Michael B. Mallory
- D/600 - Purchasing - Carl C. Berry Jr.
- D/800 - Engineering & Information Systems -
Dennis A. Cummings
- D/010 - Reconfiguration & Consolidation -
Robert E. Schmidt

Associates

Total employment	4,426
Hourly	1,724
Direct	683
Indirect	1,041
Salaried	2,702
1st Shift	4,104
2nd Shift	253
3rd Shift	69
Exempt	1,792
Non-exempt	2,634
Salaried	910
Hourly	1,724
Total Supervision	462
Male	405 (52 minority)
Female	57 (9 minority)
Male	3,226
Female	1,200 (27%)
Minority	808 (18.3%)
Male	455
Female	353
Average Age	43
Hourly	45
Salaried	42
Average Years of Service	15.4
Hourly	16.0
Salaried	15.0

Nearly 79% of the Division's associates live in Missouri. Of those Missouri residents, 34% live in Kansas City, 15% live in Lee's Summit, and 6% in Independence, Grandview, and Belton.

Of the nearly 21% who live in Kansas, slightly more than 34% live in Overland Park and 16% live in Olathe.

More than 87 Missouri towns and cities and 41 towns and cities in Kansas are listed as the home addresses of associates.

Employment History

1949 - 1,240	1980 - 6,560	1990 - 6,662
1955 - 4,718	1985 - 7,845	1991 - 5,734
1960 - 7,192	1986 - 7,550	1992 - 4,494
1965 - 6,082	1987 - 7,102	1993 - 4,426
1970 - 7,416	1988 - 6,979	
1975 - 4,606	1989 - 6,903	

Education

Associates with Degrees	1,711
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Salaried

BS/BA	1,146
MS/MA	459
PhD (includes 5 law and 4 MD)	36

Hourly

BS/BA	64
MS/MA	6

Educational Assistance

FY92: 611 enrollees: \$509, 546

Bargaining Units

Total union members:	1,815
Total hourly union members:	1,724

IAMAW - District Lodge No. 71 of International Association of Machinists & Aerospace Workers (contract expires 10/10/93)

Local 314	1,160
Local 990 (Model Shop)	186
Local 1529 (Millwrights)	88
Local 6-6A-68 (Oper. Engr.)	46
Local 146 (Platers)	20
Local 124 (Electricians)	113
Local 553 (Pipefitters)	70

Hotel Employees, Restaurant Employees (contract expires 12/18/94)

Local 64	41
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United Plant Guard Workers of America & Affiliated Amalgamated (contract expires 8/20/95)

Local 251	91
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Payroll and Budget

FY1992 Payroll: \$218.5 million

CY1992 City Earnings Tax: \$ 2.0 million

FY1992 General Plant
Operating Costs (net): \$352.5 million

FY1992 Gross Operating
Costs: \$420.6 million

FY1992 Construction &
Capital Equipment Costs: \$ 24.5 million

Budget History

Year	Dollars in Millions		Total
	\$ S	Reimb.	
1985	432	89	521
1986	422	96	518
1987	393	116	509
1988	452	175	627
1989	423	166	589
1990	401	140	541
1991	347	103	450
1992	353	68	421
1993	310	76	386

Procurement

FY1992 - 4,097 vendors for total expenditures of \$134.3 million

Missouri: 743 vendors; \$39.6 million

Kansas: 453 vendors; \$19.7 million

FY1992 Total Construction (MO & KS):
23 contractors; \$24.7 million

FY1992 Awards to Small Businesses
\$44.7 million (\$26 million in Kansas City area)

FY1992 Awards to Small Disadvantaged Businesses
\$2.1 million (\$538,458 in Kansas City area)

FY1992 Awards to Women-owned Businesses
\$6 million (\$2.6 million in Kansas City area)

U.S. Department of Energy Award — 1991 U.S. Department of Energy-Albuquerque Award for exceeding FY 1990 small, small disadvantaged, and women-owned business goals.

U.S. Department of Energy Award — M&O Contractor of the Year, FY1991; Secretary of Energy's highest award for socioeconomic accomplishment.

DOE Relationship

AlliedSignal Inc. has a management and operating (M&O) contract with the United States Department of Energy under Prime Contract DE-AC04-76DP00613, (1-1-92 through 3-31-95; eleventh contract).

The Kansas City Division works closely with three DOE laboratories and six other production agencies.

Los Alamos National Laboratory (7,256 employees)
Lawrence Livermore National Laboratory (7,940)
Sandia National Laboratory, Albuquerque (7,400)
Sandia National Laboratory, Livermore (1,030)
Mound, EG&G, Dayton, OH (1,642)
Pinellas, GE, St. Petersburg, FL (1,100)
Y-12, Martin Marietta, Oak Ridge, TN (6,922)
Rocky Flats, EG&G, Golden, CO (6,969)
Savannah River, Westinghouse, Aiken, SC (24,000)
Pantex, Mason and Hanger, Amarillo, TX (2,828)

In December 1991, the Kansas City Division was named the preferred site for the DOE's consolidated non-nuclear manufacturing facility.

Federal Complex Tenants

DOE/KCD	3,138,000 sq. ft. (135.8 acres) 4,473 AlliedSignal associates 67 DOE employees
GSA	584,000 sq. ft. 1,000 employees
DFAS	183,000 sq. ft. 1,100 employees
IRS	479,972 sq. ft. 3,000 - 5,600 employees (seasonal)
FAA	16,490 sq. ft. 61 employees
NARA	145,000 sq. ft. 100 employees
NLSC	200,000 sq. ft. 40 employees
NRC	21,000 sq. ft. 65 employees

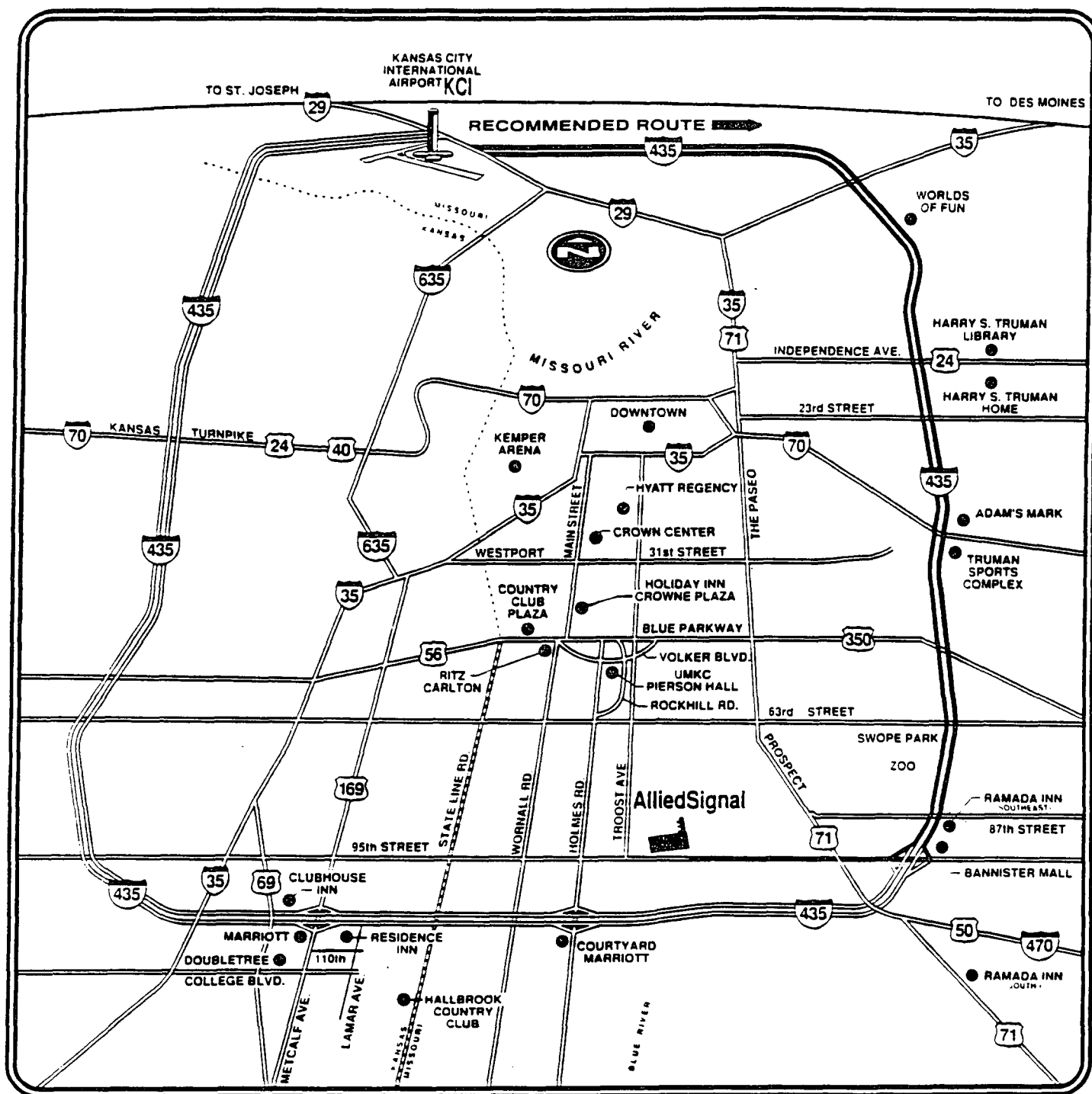
**Kansas City
Employment Ranking**

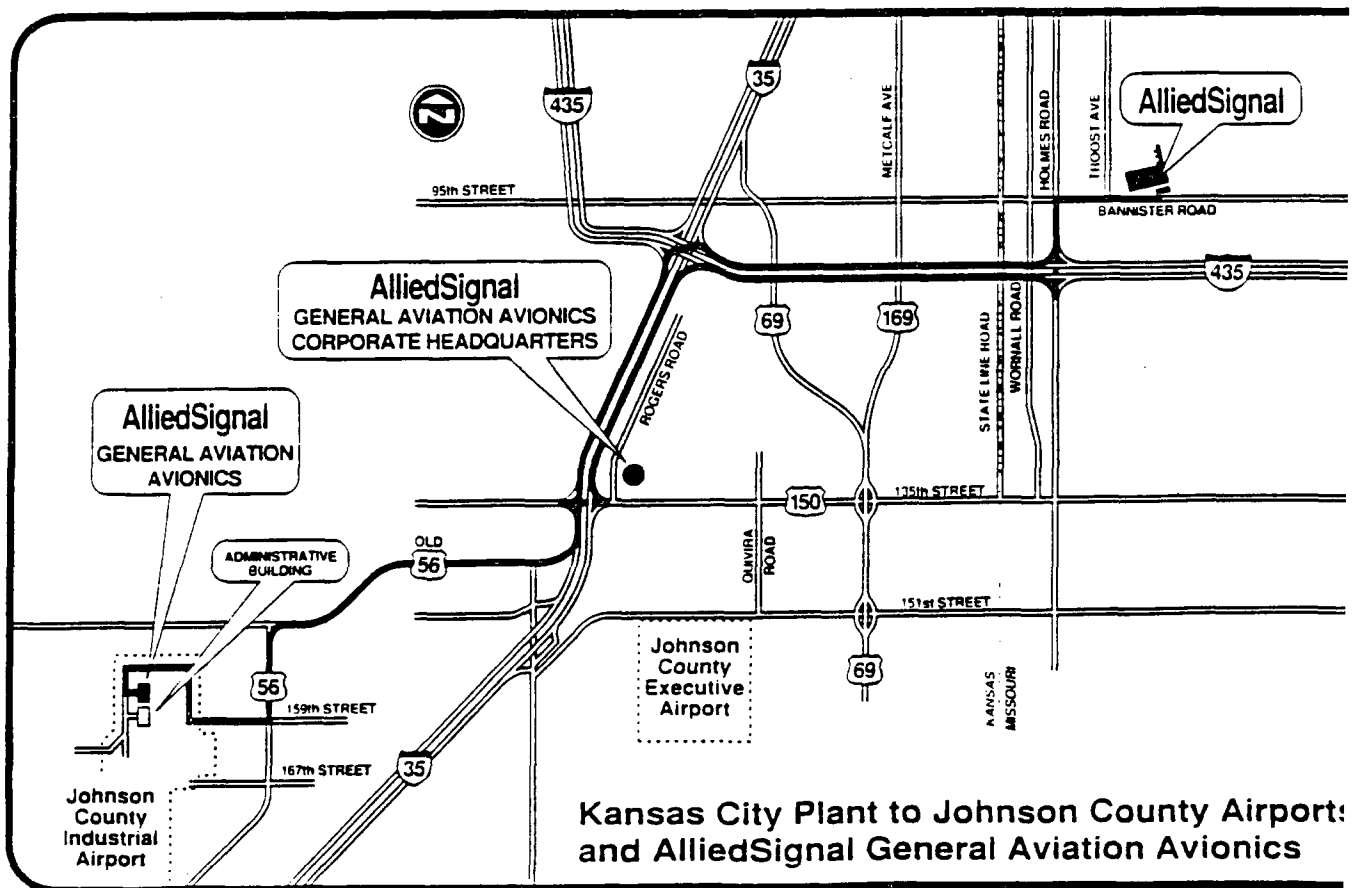
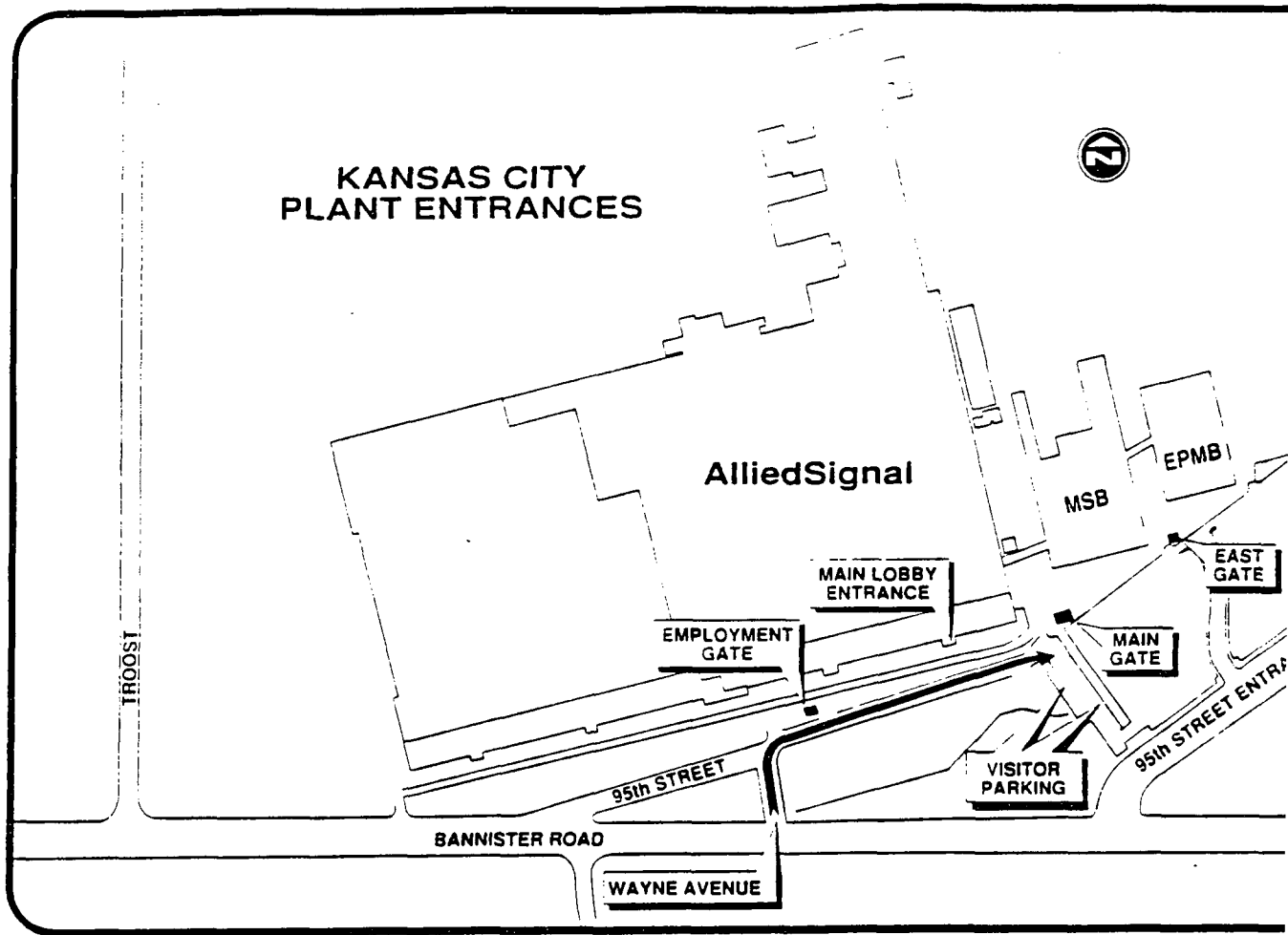
1.	U.S. Sprint	8,862
2.	Hallmark Cards	8,000
3.	Health Midwest	7,296
4.	KU Medical Center	5,718
5.	Trans World Airlines	5,620
6.	AT&T	5,506
7.	AlliedSignal	4,426
8.	Ford	4,248
9.	Black & Veatch	3,400
10.	St. Luke's Hospital	3,038

Source: *KC Business Journal* (October 1992)

As of May 1, 1993, the total AlliedSignal employment in the Greater Kansas City Area was 6,665 which included 10 employees at Aircraft Landing Systems and 2,229 employees at General Aviation Avionics.

The Kansas City Plant Area and Site Map





***Attachment 2
Initial Notification to
Contractor Employees***



Comments & Credits

Special issue Friday, April 2, 1993

Preliminary budget figures indicate RIF could affect as many as 900 associates

Based on current budget estimates, as many as 900 Kansas City Division associates could be affected by a reduction in force before the end of the fiscal year. The Division's current headcount is 4,434.

On Tuesday, Division president Lou Smith announced that a workforce reduction would likely be necessary.

"We still don't have firm data," Smith said, "and changes in reconfiguration funding could further impact the budget and headcount numbers," Smith said.

The Secretary of Energy is expected to formally announce her 1994 budget within the next several days.

"We are sharing with associates what we know now," Smith said, "but it is important to remember that the budget figures and the impact on headcount could change."

Smith would not comment on what kind of jobs might be affected by the reduction, but human resources director Chuck Miller emphasized that both salaried and bargaining unit associates will be affected.

Miller noted that a lot of work must be done between the time the budget figures are finalized and any firm decisions can be made about what job classifications, or which associates, will be affected.

"We will communicate the specifics of the reduction to associates as quickly as we can," Smith said.

***Attachment 3
Union Notification
and Media Coverage of
April 2 Announcement***

Memorandum

Allied-Signal Aerospace Company

Kansas City Division
Kansas City, Missouri

Allied
Signal

Date: April 2, 1993
To: RIF/April 1993 File
From: Floyd A. Walker
Subject: LAYOFF ANNOUNCEMENT MEDIA ACTIVITIES

A number of calls were received from the public media on Friday regarding the announcement that AlliedSignal would have a reduction in force before the end of the fiscal year. The calls began within an hour of the 8:00 a.m. meeting Lou Smith held with staff and bargaining unit leaders.

The first call was from Mike Lewis at WDAF-TV; the other calls came within the next three hours. To each caller, I provided the basic information we had shared with associates earlier in the day. Several radio stations asked to record interviews over the telephone, but I declined to give recorded interviews until after the 2:30 stakeholder briefing conducted by KCAO area manager Earl Bean.

In addition to WDAF-TV, calls were received from KMBC-TV and KCTV, WDAF radio, KCMO radio, KMBC radio, KNHN radio (the CNN radio outlet in the area), the Associated Press, and the Kansas City Star. A reporter for the Olathe Daily News also called and seemed somewhat disappointed that the reduction in force did not affect AlliedSignal operations in Olathe.

WDAF-TV and KMBC-TV and KNHN radio all indicated that they had received "information" that we had announced a layoff, presumably from someone inside the facility. KCTV and the Kansas City Star indicated that they had heard the news from WDAF-TV. The Associated Press called on the basis of a story filed out of Washington following the briefing of Congressional staffs there.

Beginning at about 3:00 p.m., I gave recorded interviews to the four radio stations and I did on-camera comments for both WDAF-TV and KMBC-TV. Both of those stations conducted several "man on the street" interviews with associates as they left the plant at the end of first shift. KCTV did not do on-site coverage of the story.

Layoff
April 3, 1993
Page 2

The story was covered extensively by WDAF-TV on its noon, 5, 6, and 10 p newscasts. Briefer coverage was provided by KMBC-TV. KCTV coverage was restricted to a "desk read" of the information gathered over the telephone. The Star provided extensive coverage in a front page story on Saturday morning.



FAW

Distribution:

L. W. Smith
K. K. Clegg
J. A. Morrison
C. D. Miller
R. M. Renfrow
E. W. Bean
P. J. Lillard

Media Inquiry File

Attachment 4
Stakeholder Comment Request
to Contractor Employees

Date: May 13, 1993
To: All Associates
From: Louis W. Smith
Subject: PLANNING GUIDELINES FOR WORK FORCE RESTRUCTURING

The U. S. Department of Energy has developed guidelines to help contractors such as AlliedSignal develop comprehensive restructuring plans in the wake of significant changes in funding and workload levels.

On the basis of these guidelines, we are developing a restructuring plan for the Kansas City Plant. We anticipate that the restructuring will lead to a reduction in force of between 550 and 900 associates by the end of the current fiscal year.

In compliance with Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 and recently issued DOE directives, we are required to seek comments from our associates and from potentially impacted segments of the community before proceeding with our restructuring plan. A copy of the guidelines and an outline of the restructuring plan are attached for your review and comment.

As part of the restructuring plan, we intend to request DOE approval of a voluntary reduction in force similar to the one we offered last year. Our proposal will also include a continuation of health care benefits and educational assistance benefits for a period of time after separation from the company.

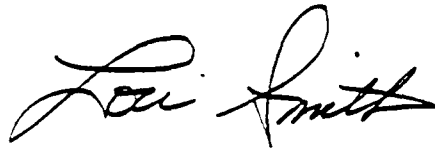
It is important that you understand, however, that approval of our proposed restructuring plan will be dependent upon the availability of funding. Because other contractors around the country will undoubtedly propose similar programs, the competition for funding will be intense.

After you have reviewed the guidelines and the plan outline, you are invited to comment on them in writing using the attached form. Mail the form to Work Force Restructuring, Human Resources, Mail Code FB34.

All Associates
Page 2

Because we have been given very little time to finalize the restructuring plan and submit it to the DOE for approval, it is critical that we receive your comments in writing by **3:30 p.m. on Tuesday, May 18, 1993**. All comments we receive by that time will be considered in the preparation of our submittal.

We look forward to hearing from you.

A handwritten signature in cursive script, reading "Lori Smith". The signature is written in black ink and is positioned in the center of the page.

Attachment

Attachment 5
Stakeholder Comment Request
to Regional Stakeholders



AlliedSignal Inc.
Community Relations Department
P.O. Box 419159
Kansas City, MO 64141
(816) 997-3579
Fax (816) 997-7259

May 13, 1993

The U. S. Department of Energy (DOE) has developed guidelines to help DOE contractors such as AlliedSignal develop comprehensive restructuring plans in the wake of significant changes in funding and workload levels. On the basis of those guidelines, AlliedSignal is developing a restructuring plan for the Kansas City Plant at 95th and Troost. We anticipate that the restructuring will lead to a reduction in employment at the Kansas City Plant of between 550 and 900 associates.

In compliance with Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 and recently issued DOE directives, we are required to seek comments from our associates and from potentially impacted segments of the community before proceeding with our restructuring plan.

We are enclosing a copy of the guidelines and an outline of the restructuring plan for your review and comment. It is important that you understand that approval of the restructuring plan will be dependent upon the availability of funding.

You are invited to make your comments in writing or to present them in person at a special meeting at the National Office Machine Dealers Association (NOMDA) headquarters building, 12411 Wornall Road, at 1:30 p.m. next Tuesday, May 18. Written comments may be mailed or FAXed to the address above.

All comments received either in person or in writing by 3:30 p.m. on Tuesday, May 18, 1993, will be considered when the restructuring plan for the Kansas City Plant is submitted to the DOE for approval.

Louis W. Smith
President, Kansas City Division
AlliedSignal Inc.

Earl W. Bean
Area Manager
U. S. Department of Energy

***Attachment 6
DOE General Planning Guidelines for
Work Force Restructuring
and
Outline of Proposed Work Force
Restructuring Plan for the
Kansas City Plant***

DOE General Planning Guidelines for Work Force Restructuring

The National Defense Authorization Act for Fiscal Year 1993 (the Act), enacted into law on October 23, 1992 (Public Law 102-484), includes a requirement under Section 3161 for the Secretary of Energy to develop a plan for restructuring the work force for a defense nuclear facility, taking into account reconfiguration and the most recent nuclear weapons stockpile plan, whenever there is a determination that a change in the work force is necessary. The Act provides specific objectives to guide the preparation of a plan to minimize the impact on workers to include retirement incentives, retraining, preference in hiring at other facilities, relocation assistance, and consultation with various government and non-government groups. A plan is due to the Congress within 90 days of notification to affected workers of a restructuring action; and the notification should occur 120 days in advance of the restructuring.

The following stakeholders are affected by, or involved in, either the planning or implementation of the legislative objectives: Departmental Headquarters and Operations

Offices; Management and Operating contractors, and other prime contractors and subcontractors at Department of Energy sites; the workers for these contractors; the bargaining representatives for these workers; other Federal Government agencies, particularly the Departments of Labor, Commerce and Defense; state and local governments; community groups; and institutions of higher education.

A task force of Defense Programs, Environmental Restoration and Waste Management, Contractor Human Resource Program, General Counsel, and Operations Office representatives has been considering the implications of Section 3161. Several operations offices have requested Headquarters guidance on what elements should be contained in a work force restructuring plan. It is the view of the task force that the operations offices, in consultation with the appropriate stakeholders, are in a better position to understand the needs unique to a particular work force restructuring. Accordingly the following is offered in a general sense only, and should not be regarded as all inclusive or exclusionary.

OBJECTIVES

1. Section 3163 of the Act provides definitions that apply to Section 3161; the term "DOE employee" means any employee of the Department of Energy employed at a Department of Energy defense nuclear facility, including any employee of a contractor or subcontractor of the Department of Energy employed at such a facility. As a general matter, offering all benefits to all prime contractor and subcontractor employees may not be appropriate. Typically, non-Management and

Operating contractors and subcontractors are brought to Department of Energy sites for short-term and specific specialized activities and released when the job is completed. In some cases, however, non-Management and Operating contractor and subcontractor employees may have worked several years at a Department of Energy facility. Each operations office should evaluate its particular site subcontractor relationships and submit plans accordingly.

2. An objective of the section is to provide 120 day notification before commencement of work force changes. The Act does not provide specific guidance on what constitutes notification. Notification could be a broad announcement to the employees and the community that work force changes at the location are required. If the notification is a broad announcement, specific individual notifications should come later, after careful consideration is given to all

possible actions to minimize impacts to workers. If layoffs are required and fall under the provisions of the Worker Adjustment and Retraining Notification Act, employees must be given 60 days layoff notice.

3. The section cites that, "to the extent practicable," affected employees shall receive preference in any hiring of the Department of Energy. To implement this, the task force proposes that all Department of Energy Management and Operating contractors be directed to review resumes of interested Management and Operating contractor displaced workers and give these displaced workers priority consideration before hiring other off-site applicants. In addition, the Office of Contractor Human Resource Program in the Office of Procurement, Assistance and Program Management will develop a process for resume exchange and will work with the operations offices to implement this process.

4. An objective of the section is that the Department of Energy should provide relocation assistance to employees who transfer to other Department of Energy facilities as a result of the plan. In general, a Management and Operating contractor which hires a displaced employee may choose to follow its normal practice of paying relocation costs. A work force restructuring plan could make other accommodations, however, consistent with applicable requirements.

5. Since no funding was specifically appropriated for the Department of Energy to implement Section 3161 in Fiscal Year 1993, and limited funds have been identified in the Fiscal Year 1994 budget, certain budget responsibilities need to be assigned. At present, the task force proposes that funding the implementation of the section be the responsibility of the program that funds the activity subject to the work force restructuring, with the exception of specific retraining into certain jobs, e.g., environmental and waste management activities, where the program that will gain the services of the employee should pay for the retraining. Other common support efforts, where several programs will benefit from the effort, could be cost-shared on mutually agreeable terms. In addition to Departmental funding, the Department is looking into other potential funding sources that could support work force restructuring initiatives, including those available through the Job Training Partnership Act at the Department of Labor, the Economic Development Agency at the Department of Commerce, and the Office of Economic Adjustment at the Department of Defense.

6. A significant policy issue related to the implementation of the requirements of Section 3161 is the potential development of two classes of displaced workers ("defense" and "nondefense" employees) at the same site or even within the same Management and Operating contract, which also may be covered by the same bargaining agreement. This could result because Section 3161 requires the Department to prepare restructuring plans only with respect to changes in work forces at a defense nuclear facility. The Secretary believes, however, that the objectives of Section 3161 should be applied Department-wide for all Management and Operating contractors, regardless of program funding source.

7. It currently appears that almost every defense nuclear facility site may have significant work force changes as a result of the Fiscal Year 1994 budget. If the Department finds during initial implementation of Section 3161 that some of our sites expect only small work force changes, we may seek Congressional approval to establish an annual threshold of work force change that would require submittal of a plan to Congress. In implementing the objectives of the legislation for nondefense nuclear facilities, the task force proposes establishing a threshold of annual site-wide staff impacts that exceed 250 employees.

**OUTLINE OF PROPOSED WORK FORCE RESTRUCTURING PLAN
FOR THE KANSAS CITY PLANT
MAY 1993**

Background

The National Defense Authorization Act for Fiscal Year 1993, enacted into law on October 23, 1992, includes a requirement under Section 3161 to develop plans for restructuring the work force for defense nuclear facilities, taking into account reconfiguration and the most recent nuclear weapons stockpile plan. The plans must address specific initiatives, described as objectives in the legislation, to minimize the impacts on workers.

The restructuring plan being considered by AlliedSignal includes the following features for active full-time associates:

1. Separation/Notification Pay

Voluntary

Associates who are approved to volunteer for reduction in force (RIF) would receive service-based separation pay as provided during the voluntary RIF in 1992. A copy of this payment schedule is attached. This schedule is based on the current involuntary separation schedule for salaried associates with up to 25 years of service. For associates with 25 to 30 years of service, an additional 2 months (a total of 8 months) pay would be provided; for 30 or more years of service, an additional 2 months pay (a total of 10 months) would be provided. Depending on the size of the reduction, an additional 60 days notice may be provided.

Involuntary

Associates involuntarily separated would receive benefits currently provided. Depending on the size of the reduction, the WARN requirements (60 days notice) may also apply.

2. Medical Benefits

Extended medical insurance benefits would be provided to qualifying associates separated voluntarily or involuntarily. These benefits would be provided for up to three years from the date of separation if the associate was: 1) on the employment rolls as of September 27, 1991; 2) covered under the Company's plan at the time of separation from employment; and, 3) not eligible for coverage under another employer's group health plan or under Medicare since the date of separation.

The extended medical benefits provide coverage at the active associate contribution rate during the first year. During the second year, the separated associate would contribute half the cost. Access to the extended medical benefits would be provided during the third year at full cost to the separated associate.

3. Supplemental Training

Supplemental training programs, including outside training and educational assistance, would be provided to associates for up to two years from the date of separation to provide retraining and to prepare displaced workers for other employment opportunities.

4. Outplacement Assistance

Associates would have access to outplacement assistance, including counseling, resume preparation, interviewing techniques, and identification of other job opportunities. Also, appropriate state agencies would provide information on unemployment compensation benefits and outplacement services. Continued access to the Employee Assistance Program would be provided for two years from the date of separation.

AlliedSignal would participate in the DOE plan to provide affected associates preference in any hiring at other DOE facilities. Also, affected associates would be made aware of applicable opportunities at other AlliedSignal locations.

5. Relocation Assistance

Relocation assistance would be provided to associates hired by other DOE facilities, if not provided by the hiring facility.

6. Community Assistance

Activities to assure effective community awareness, involvement, communication, planning, and other related impact assistance would be undertaken.

VOLUNTARY PAYMENT SCHEDULE

Length of Service	SALARIED Percent of Monthly Base Salary	HOURLY Hours Times Base Rate
Less than 1 year	None	None
1 year up to 3 years	50%	86 hrs.
3 years up to 4 years	75%	129 hrs.
4 years up to 5 years	100%	173 hrs.
5 years up to 6 years	125%	216 hrs.
6 years up to 7 years	150%	259 hrs.
7 years up to 8 years	175%	302 hrs.
8 years up to 9 years	200%	346 hrs.
9 years up to 10 years	225%	389 hrs.
10 years up to 11 years	250%	432 hrs.
11 years up to 12 years	285%	493 hrs.
12 years up to 13 years	320%	553 hrs.
13 years up to 14 years	355%	614 hrs.
14 years up to 15 years	390%	674 hrs.
15 years up to 16 years	425%	735 hrs.
16 years up to 17 years	460%	795 hrs.
17 years up to 18 years	495%	856 hrs.
18 years up to 19 years	530%	916 hrs.
19 years up to 20 years	565%	977 hrs.
20 years up to 25 years	600%	1038 hrs.
25 years up to 30 years	800%	1384 hrs.
30 years and over	1000%	1530 hrs.

Attachment 7
List of Regional Stakeholders

Kansas City Plant Major Stakeholders

Department of Labor

Jacquelyn Jackson, Manager
Department of Labor
Division of Employment Security
1411 Main Street
Kansas City, MO 64105
(816) 889-3000
FAX (816) 889-3040

Larry Earley, Director
Department of Labor
Division of Job Development
and Training
P.O. Box 1087
Jefferson City, MO 65102-1087
1-800-877-8698
FAX (314) 751-6765

Willyard Lambert, Program Specialist
Department of Labor
Employment and Training
Administrator
911 Walnut, Suite 700
Kansas City, MO 64106
(816) 426-3796
FAX (816) 426-2729

Jim Richardson, Director
Department of Human Resources
Division of Employment
and Training
401 S.W. Topeka Blvd.
Topeka, KS 66603
(913) 296-5060
FAX (913) 296-5112

Chambers of Commerce

Peter Levi, President
Greater Kansas City Chamber
of Commerce
920 Main Street
Kansas City, MO 64105
(816) 221-2424
FAX (816) 221-7440

Kelvin Perry, President
Black Chamber of Commerce
of Kansas City
1601 East 18th Street
Kansas City, MO 64108
(816) 474-9901
FAX (816) 474-9805

Estella Morales, President
Hispanic Chamber of Commerce
of Kansas City
106 West 11th Street
Kansas City, MO 64105
(816) 221-5772
FAX (816) 474-0619

STAKEHOLDERS

Page 2

Missouri State and Local Governments

Mel Carnahan, Governor
P.O. Box 720
Jefferson City, MO 65102
Kansas City Office
(816) 889-3186
FAX (816) 751-1495
Attn: Chris Sifford
Director of Communications

Marsha Murphy
Jackson County Executive
415 East 12th Street
Kansas City, MO 64106
(816) 881-3333
FAX (816) 881-3398
Attn: Donna Phelps
Executive Assistant

Emanuel Cleaver
Mayor, Kansas City, MO
414 East 12th Street, 29th Floor
Kansas City, MO 64106
(816) 274-2595
FAX (816) 274-1991
Attn: Luther Washington
Director of Policy

Harry Wiggins
State Senator, District 10
7817 Terrace
Kansas City, MO 64114
(816) 444-5718

Jacqueline McGee
State Representative, District 42
Room 403A, State Capitol
Jefferson City, MO 65101
(314) 751-5615
FAX (314) 751-0130

Steve Farmer
Mayor, Belton, MO
506 Main Street
Belton, MO 64012
(816) 331-4331
FAX (816) 322-4620

Harry Wilson
Mayor, Grandview, MO
1200 Main Street
Grandview, MO 64030
(816) 763-3900
FAX (816) 763-3902

William Carpenter
Mayor, Independence, MO
111 East Maple
P.O. Box 109
Independence, MO 64050
(816) 836-8300
FAX (816) 836-7101

Marvin Ensworth
Mayor, Lee's Summit, MO
207 S.W. Market
Lee's Summit, MO 64063
(816) 251-2300
FAX (816) 251-2455

STAKEHOLDERS

Page 3

Kansas State and Local Governments

Joan Finney, Governor
State Capitol
Topeka, KS 66617
(913) 296-3232
FAX (913) 296-7973
Attn: Mary Holliday
Chief of Staff

Dick Bond, Kansas State Senator
District 8
444 Minnesota Avenue
Kansas City, KS 66101
(913) 321-3333

Blaise Plummer, State Representative
District 20
9900 Linden
Overland Park, KS 66207
(913) 648-4506

Joseph E. Steiniger, Jr.
Mayor, Kansas City, KS
One McDowell Plaza
Kansas City, KS 66101
(913) 573-5000
FAX (913) 573-5005
Attn: Beverly Bushnell
Mayor's Assistant

Mike Haskins
Mayor, Olathe, KS
100 West Sante Fe
Olathe, KS 66051-0768
(913) 782-2600
FAX (913) 782-2908

Ed Eilert
Mayor, Overland Park, KS
8701 River Park Drive
Overland Park, KS 66212
(913) 381-5252
FAX (913) 381-0938
Attn: Mike Farrar
Administrative Aide

STAKEHOLDERS

Page 4

Local Congressional Offices, Missouri

John C. Danforth, Senator
811 Grand Avenue, Suite 943
Kansas City, MO 64106
(816) 426-6101
FAX (816) 426-5717
Attn: Rachaele Steele
Administrative Assistant

Christopher Bond, Senator
510 N.E. 291 Highway
Lee's Summit, MO 64063
(816) 524-6141
FAX (816) 525-4957
Attn: Bradley Scott
Office Director

Alan Wheat, Congressman
5th District
811 Grand Avenue, Room 935
Kansas City, MO 64106
(816) 842-4545
FAX (816) 471-5212
Attn: Gerard Grimaldi
District Director

Pat Danner, Congresswoman
6th District
5754 North Broadway
Kansas City, MO 64118
(816) 455-2256
FAX (816) 455-2153
Attn: Lou Carson
District Administrator

Ike Skelton, Congressman
4th District
5148 North 7 Highway
Blue Springs, MO 64014
(816) 228-4242
FAX (816) 228-4814
Attn: Robert Hagedorn
District Representative

STAKEHOLDERS

Page 5

Local Congressional Offices Kansas

Robert Dole, Senator
636 Minnesota Avenue
Kansas City, KS 66101
(913) 371-6108
FAX (913) 371-2403
Attn: Gayle Grosch
Regional Representative

Nancy Kassebaum, Senator
4200 Somerset, Suite 152
Prairie Village, KS 66208
(913) 648-3103
FAX (913) 224-3514
Attn: Mike Harper
Administrative Assistant

Jan Meyers, Congresswoman
3rd District
7133 West 95th Street
Overland Park, KS 66212
(913) 383-2013
FAX (913) 383-1314
Attn: Lori Phillips
District Representative

Department of Commerce

Martha Lumpkin, Director
Central Administrative Support
Center
Department of Commerce
601 East 12th Street
Kansas City, MO 64106
(816) 426-2050
FAX (816) 426-7459

Steve Brennen, Regional Director
Department of Commerce
Economic Development Association
1244 Speer Blvd., Room 670
Denver, CO 80240
(303) 844-4474
FAX (303) 844-3968

STAKEHOLDERS

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Institutions of Higher Education

Eleanor B. Schwartz, Chancellor
University of Missouri-Kansas City
5100 Rockhill Road
Kansas City, MO 64110
(816) 235-1000
FAX (816) 235-1717

Father Thomas Savage, President
Rockhurst College
1100 Rockhurst Road
Kansas City, MO 64110
(816) 926-4000
FAX (816) 926-4666

Dr. Larry Kramer, President
Avila College
11901 Wornall Road
Kansas City, MO 64145
(816) 942-8400
FAX (816) 942-3362

Ms. Joanie Kershenbaum, Director
Webster University
9140 Ward Parkway
Kansas City, MO 64114
(816) 444-9444
FAX (816) 444-1740

Dr. Aldo Leker, President
Longview Community College
500 Longview Road
Lee's Summit, MO 64134
(816) 672-2000
FAX (816) 672-2025

Dr. Bruce Lindvall, Acting Director
University of Kansas Regents Center
12600 Quivera Road
P.O. Box 25936
Overland Park, KS 66225-5936
(913) 341-4554
FAX (913) 897-8490

Dr. E. Paul Williams, President
Penn Valley Community College
3201 Southwest Trafficway
Kansas City, MO 64111
(816) 759-4000
FAX (816) 759-4161

Dr. Charles Carlson, President
Johnson County Community College
12345 College Blvd.
Overland Park, KS 66210
(913) 469-8500
FAX (913) 469-4409

STAKEHOLDERS

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Bargaining Units

Danny Daniels,
Directing Business Representative
International Association of
Machinists & Aerospace Workers
District 71
8510 Hillcrest Road
Kansas City, MO 64138
(816) 363-7070
FAX (816) 523-3686

Neal L. McGregor, Chief Steward
Ervin Fields, President
United Plant Guard Workers
of America, Local 251
(816) 459-1249
FAX (816) 459-1165
929 Daney Circle
Lee's Summit, MO 64081
(816) 246-1224

Paul Silvio, International Trustee
Hotel Employees and Restaurant
Employees, Local 64
6 S.W. 2nd Street
Lee's Summit, MO 64063
(816) 363-6400

Community Groups

John Loss
Center Planning Group
47 East 106th Terrace
Kansas City, MO 64131
(816) 942-6519

Don McGuire
Linden Homeowners Association
1112 Queen's Place
Kansas City, MO 64131
(816) 942-8939

Carol McClure
Southern Community Coalition
6103 East 109th Street
Kansas City, MO 64134
(816) 966-0855

STAKEHOLDERS

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Local Businesses

Bill Esrey, Chief Executive Officer
U.S. Sprint
2330 Shawnee Mission Parkway
Westwood, KS 66205
(913) 624-6000
FAX (913) 624-3496

Irv Hockaday
Hallmark Cards Inc.
25th and McGee Trafficway
Kansas City, MO 64108
(816) 274-5111
FAX (816) 274-5061

Dick Brown, Chief Executive Officer
Health Midwest
2304 East Meyer Blvd.
Kansas City, MO 64132
(816) 276-9297
FAX (816) 276-9200

Dr. D.K. Clauson,
Executive Vice Chancellor
Kansas University Medical center
3901 Rainbow Blvd.
Kansas City, KS 66160
(913) 588-5000
FAX (913) 588-1412

Glenn Zander, Co-Chief Executive
Trans World Airlines
11500 Ambassador Drive
Kansas City, MO 64153
(816) 891-4000
FAX (816) 464-6169

Terri Wright, Personnel Director
AT&T
777 North Blue Parkway
Lee's Summit, MO 64063-0580
(816) 654-4496
FAX (816) 654-4496

Howard Bahr, Controller
Ford Motor Co.
Highway 69 (street address)
Claycomo, MO 64119
P.O. Box 11009 (mailing address)
Claycomo, MO 64119
(816) 459-1241
FAX (816) 459-1188

P.J. Adam, Chief Executive officer
Black & Veatch
8400 Ward Parkway
Kansas City, MO 64114
(913) 339-3817
FAX (913) 339-3817

Charles Lindstrom
Chief Executive Officer
St. Luke's Hospital
4400 Wornall Road
Kansas City, MO 64111
(816) 932-2000
FAX (816) 932-5138

STAKEHOLDERS

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Special Interest Groups

William Clark, President
Urban league of Greater Kansas City
1701 the Paseo
Kansas City, MO 64108
(816) 471-0550
FAX (816) 471-3064

Twana Hall Combs,
Managing Director
INROADS/Kansas City Inc.
3100 Main Street, Suite 301
Kansas City, MO 64111-1918
(816) 561-2383
FAX (816) 561-1411

Regulators

William W. Rice,
Acting Regional Director
Environmental Protection Agency
726 Minnesota Avenue
Kansas City, KS 66101
(913) 551-7000
FAX (913) 551-7066

Jim Macy, Regional Director
Missouri Department of
Natural Resources
3800 South Elizabeth Ave., Suite G
Independence, MO 64057
(816) 795-8655
FAX (816) 795-8755

Federal Executive Board

Lahoma Yates, Executive Director
Federal Executive Board
726 Minnesota Avenue
Kansas City, KS 66101
(913) 551-7100
FAX (913) 551-7104

STAKEHOLDERS

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Other Local Groups or Individuals Deemed Appropriate

Jack Nesbitt, Executive Assistant to
the Regional Administrator
General Services Administration
Region 6 Office
1500 East 95th Street
Kansas City, MO 64131
(816) 926-7616
FAX (816) 926-7513

Marcy Nelson, Public Affairs
Internal Revenue Service
2306 East 95th Street
Kansas City, MO 64131
(816) 926-6967
FAX (816) 926-3680

Jahn Allshouse, Director
National Archives and Records
Administration
2312 E. 95th Street
Kansas City, MO 64131
(816) 926-7272
FAX (816) 926-6235

Nancy Pierce, Director
Federal Employees Credit Union
9300 Troost
Kansas City, MO 64131
(816) 361-4194
FAX (816) 361-0922

Tribal Governments, States and Tribes Working Groups, and Local Military Installations

None

Clyde McQueen, President
Full Employment Council
1740 the Paseo
Kansas City, MO 64108
(816) 455-6154
FAX (816) 455-6349

Dr. Lee Droegemueller,
Commissioner of Education Kansas
State Board of Education
120 S.E. 10th Avenue
Topeka, KS 66612
(913) 296-3202
FAX (913) 296-7933

Dewayne Cossey,
Missouri State
Superintendent of Schools,
Department of Elementary and
Secondary Schools
State Schools for the Severly
Handicapped
205 Jefferson Street
Jefferson City, MO 64104
(314) 751-4427
FAX (314) 526-4404

Richard R. Ready, Director
EAP Systems
51 North 12th Strret
Kansas City, KS 66102
(913) 281-7647
FAX (913) 281-8494--Bethany
Medical Center's EAP Services

Attachment 8
Stakeholders Meeting Agenda
and Attendee List



**Agenda
Stakeholders Meeting
U. S. Department of Energy
Kansas City Plant**

**1:30 p.m., May 18, 1993
Room 100-NOMDA**

Welcome and Introductions

**Earl W. Bean
Area Manager,
Kansas City Area Office**

Long Term Trends for DOE Facilities

**Walt Lips
DOE Headquarters
Washington**

Restructuring Activities and Plans

**Felix Ortiz
DOE Operations Office
Albuquerque**

**Restructuring Impact on the
Kansas City Plant**

**Patrick Lillard
Chief,
Administrative Branch,
Kansas City Area Office**

Question and Comment Period

A special briefing for the media will be conducted immediately after the stakeholders meeting. Bernard Pleau, U. S. Department of Energy, Albuquerque, and Floyd Walker, AlliedSignal, Kansas City, will be available to respond to inquiries.

STAKEHOLDERS MEETING REGISTRATION
MAY 18, 1993

NAME	ORGANIZATION	ADDRESS	PHONE
John A. Cushman	Missouri Job Service	1411 Main Kansas City, MO 64105	889-2967
Barbara Wright	Missouri Job Service	1411 Main Kansas City, MO 64105	889-3000
Ed Berridge	Kansas Department of Human Resources	13470 Arapaho Olathe, KS	782-2077
Ty Long	Full Employment Council	3675 S. Noland, Suite 301 Independence, MO 64055	836-6520
Anthony Love	Full Employment Council	1720 Paseo Kansas City, MO 64104	471-1430 ext. 296
Don Rahm	State of Missouri, Div. of Job Development & Training	221 Metro Drive Jefferson City, MO	(314) 751-7896
Wally Waldrup	Missouri AFL-CIO	208 Madison Jefferson City, MO 65101	(314) 634-2115
Ray Mischon	UMKC's Project Refocus	4743 Troost Kansas City, MO	235-5160
Lahoma Yates	Federal Executive Board	726 Minnesota Kansas City, KS	551-7100
Sam Cunningham	VA Office	601 E. 12th Kansas City, MO 64106	426-3369
Richard Krueger	U.S. Office of Personnel Management	601 E. 12th Kansas City, MO	426-5705
Herman Wallace	Department of Labor Empl. & Training Admin.	911 Walnut Kansas City, MO 64106	426-3796
Willyard Lambert	Department of Labor Empl. & Training Admin.	911 Walnut Kansas City, MO 64106	426-3796
Randy Heaster	Kansas City Star	1729 Grand Kansas City, MO	234-4746
Volmer K. Jensen	Federal Executive Board	6301 Rockhill Kansas City, MO	926-7490
Minnie Baskerville	Federal Highway Administration	6301 Rockhill Road Kansas City, MO	926-7490

Attachment 9
Regional Stakeholder Comments



CITY OF BELTON
506 Main Street
P.O. Box 230
Belton, MO. 64012
(816) 331-4331
Fax (816) 322-4620

May 18, 1993

Louis W. Smith
President, Kansas City Division
Allied Signal, Inc.
P.O. Box 419159
Kansas City, MO 64141

Dear Mr. Smith:

The City of Belton is greatly concerned with the proposed restructuring plan for the Bendix/Allied Signal Kansas City Plant.

Of the proposed reduction of 550-900 associates, approximately 50 Belton residents stand to become unemployed due to this restructuring. Although 50 employees represent a small percentage of the total reduction (5 1/2-9%), we are concerned with their well being.

In particular, we have questions about Paragraphs 2-6 in the outline of the proposed "Work Force Restructuring Plan" for the Kansas City Plant.

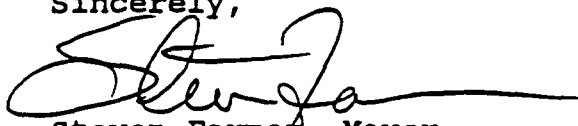
Although, the overall plan has its merits, we all understand the problems encountered in supplemental training, outplacement assistance, and relocation assistance, especially with income reductions.

We request that before a final decision is made that we be allowed to participate in the Restructuring Plan.

I personally volunteer to sit on any committee to make this transition period advantageous for all parties concerned.

If I may be of further assistance, please do not hesitate to call at 816-331-4331.

Sincerely,



Steven Farmer, Mayor
City of Belton

SF:pal

CITY OF GRANDVIEW

1200 Main Street
Grandview, Missouri 64030-2498
(816) 783-3900

May 17, 1993

Mr. Louis W. Smith
President, Kansas City Division
Allied Signal, Inc.
P.O. Box 419159
Kansas City, MO 64141

Dear Mr. Smith:

We are saddened and concerned to hear about your development of a restructuring plan which will lead to a reduction in force at the Kansas City Plant of between 550 and 900 employees.

Under the circumstances, the proposed plan is probably about what we might expect. However, we would recommend the following changes:

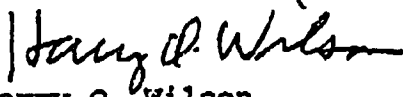
- (1) Since the Grandview community has over 250 currently employed by the Kansas City Division of Allied Signal, we would expect that a serious negative impact on our housing market could be realized if all who retire or are laid off were to leave the community at the same time. Provisions should be made to prevent the erosion of the fair market value of homes offered for sale by those involved in the lay offs and forced to relocate within two years after the reduction in force.
- (2) Under supplemental training, educational assistance should be provided for up to \$5,000 per year in actual expenses at accredited colleges, universities, technical schools, and apprentice programs if enrollment occurs at institutions located within a 100-mile radius of the former employee's home. This would encourage the training to take place without requiring the individual to leave his home, thus limiting the deterioration of housing values.

Over the past 15 years, Grandview has been adversely impacted by the relocation of Air Force personnel from Richards-Gebaur Air Force Base, the changeover by the State of Missouri from two-way to one-way frontage roads along Highway 71, and

Mr. Louis W. Smith
Page 2
May 17, 1993

various commercial developments outside the Grandview city limits. The forced relocation of more of our citizens could have yet another significant negative effect on the Grandview community and its citizens. Anything you can do to minimize this impact would be greatly appreciated.

Sincerely,

A handwritten signature in cursive script, reading "Harry O. Wilson".

Harry O. Wilson
Mayor

/lp



City of Independence

111 EAST MAPLE • P.O. BOX 1019 • INDEPENDENCE, MISSOURI 64051-0519 • (816) 836-8300

OFFICE OF
WILLIAM "BILL" CARPENTER
MAYOR

Post-it™ brand fax transmittal memo 7671		# of pages • 12
To	From	
Louis W. Smith	Mayor Bill Carpenter	
AlliedSignal Aerospace Co.	Co. City of Independence	
Dept.	Phone # 836-7177	
Fax # 917-7259	Fax # 836-7101	

May 17, 1993


Louis W. Smith
President
AlliedSignal Aerospace Company
Kansas City Division
P.O. Box 419159
Kansas City, MO 64121-6159

Dear Mr. Smith:

The Council of the City of Independence has expressed concern, at the possible closure of Department of Energy facilities, by passing Resolution No. 3877 April 12, 1993. The Council requested that the Department of Energy follow the consolidation plan already in place.

I have received the restructuring plan that was attached to your May 13, 1993 letter. While, I think the plan will help displaced employees find other employment, I must go on record as opposing any further reduction of the work force at the Kansas City Division of AlliedSignal Aerospace Company.

Sincerely,


Bill Carpenter
Mayor

BC/ac

6946A

BILL NO. 93-818ORDINANCE NO. 3877

A RESOLUTION ENCOURAGING THE UNITED STATES DEPARTMENT OF ENERGY TO IMPLEMENT THE CONSOLIDATION PLAN ALREADY IN PLACE TO REDUCE THE NUMBER OF FACTORIES WHICH PRODUCE NON-NUCLEAR COMPONENTS OF NUCLEAR WEAPONS, AND TO LOCATE ONE OF THOSE FACTORIES IN KANSAS CITY, MISSOURI.

WHEREAS, it is in the best interest of all United States citizens to reduce the federal deficit; and,

WHEREAS, the Department of Energy's consolidation plan will save taxpayers over \$1.5 billion in the future and result in the retention of 4,500 jobs in the Kansas City area and maintain the possibility of adding 500 more jobs in Kansas City by 1995; and,

WHEREAS, any further delay in the implementation of the Department of Energy's consolidation plan that resulted from a four year study is a waste of public funds, a disregard for the best interest of society as a whole and a blatant disregard for our national security interests.

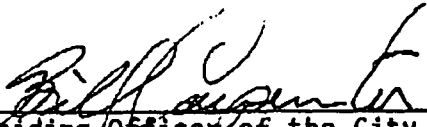
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the Mayor and City Council hereby encourage the United States Department of Energy to implement the consolidation plan already in place to reduce the number of factories which produce non-nuclear components of nuclear weapons, and to locate one of those factories in Kansas City, Missouri.

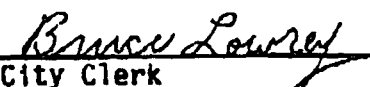
SECTION 2. That the Independence City Council urges the end to the announced new study which is causing a delay in the implementation of the already completed consolidation plan that resulted from a four year study, as such delay is costing the taxpayers of the United States millions of dollars a month.

SECTION 3. That this resolution will be transmitted to the appropriate Missouri and Kansas United States Senators and Representatives, and the United States Department of Energy.

PASSED THIS 12th DAY OF April, 1993, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.


Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:


City Clerk

APPROVED AS TO FORM AND LEGALITY:

~~EXHIBIT TO THE CITY~~
City Clerk

APPROVED AS TO FORM AND LEGALITY:

William B. Moore
City Counselor

REVIEWED BY:

L. C. Thompson
Acting City Manager



FACSIMILE TRANSMITTAL COVER SHEET

To: Ma. Joanie Karshenbaum, Director

Fax No.: 444-1740

Company: Webster University

City/State: Kansas City, MO

Total Pages: 7
(including cover sheet)

Date: May 12, 1993

From: Louis W. Smith
President
AlliedSignal Aerospace Company
Kansas City Division
P.O. Box 419159
Kansas City, MO 64141-6159

FAX # (816)997-7016

If pages are not properly received, call

Pam Harding
Name

(816)997-3213
Number

Remarks:

Date: May 17, 1993

TO: Louis W. Smith, President
FR: Joanie B. Karshenbaum, Senior Director

Please deliver attached to addressee ASAP

As the Senior Director of Webster University, Kansas City, I have reviewed the work force restructuring plan and am pleased to find your planning for supplemental educational training.

Webster University would be happy to participate in providing educational training for the BA, MA and MBA degree programs.

Please do not hesitate to contact me to discuss our educational programs.

Thank you for keeping us informed.

A handwritten signature in cursive script, appearing to read "Joanie Karshenbaum".

This information contained in this facsimile is information intended only for the use of the individual or entity names above and may contain information that is privileged, private/proprietary, or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us by telephone (collect) and return the original message to us at the above address.

The Greater Kansas City FEDERAL EXECUTIVE BOARD

726 Minnesota Avenue, Kansas City, Kansas 66101 (913) 551-7100 • FAX 551-7104



MEMO TO: Floyd Walker

FROM: Lahoma Yates

DATE: May 17, 1993

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U. S. Department of Transportation
Federal Highway Administration

FIRST VICE CHAIRPERSON

RONALD BROWN
U. S. Department of Ecology

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LAHOMA D. YATES (KEA)
Executive Director

VICKIE E. LAIR (FAA)
Secretary

The following representatives will be at your meeting:

Richard Krueger, Office of Personnel Management
Sam Cerniglia, Office of Veterans Affairs
Herman Wallace, Department of Labor, Employment & Training
Administration
Willard Lambert, Department of Labor
Ken Jensen, Chairperson, Federal Executive Board;
Regional Administrator, Federal Highway Administration



Kansas Department of Human Resources

Joan Finney, Governor
Joe Dick, Secretary

Office of the Secretary
401 S.W. Topeka Boulevard, Topeka, Kansas 66603-3182
913-296-7474 -- 913-296-0179 (Fax)

May 17, 1993

Mr. Louis W. Smith, President
AlliedSignal Inc.
P.O. Box 419159
Kansas City, Missouri 64141

Dear Mr. Smith:

I received your May 13, 1993 letter inviting comments on the restructuring plan for AlliedSignal. The State of Kansas, as you know, has worked cooperatively with Missouri in assisting dislocated workers from AlliedSignal obtain either employment or retraining. Unfortunately, dislocated worker funding in Kansas is grossly inadequate. In addition Kansas is faced with another 43% reduction of dislocated worker funding for the next program year.

Our concern is for the many individuals who are impacted by these cutbacks. For this reason we are supportive of any efforts by AlliedSignal to obtain both services and funding through the Department of Energy that may be used to assist these individuals.

If our State can be of additional assistance to AlliedSignal in obtaining or providing service through the Department of Energy's restructuring plan, please contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Dick', is written over the typed name and title.

Joe Dick
Secretary of Human Resources

cc: Joan Finney
Governor



CDM
[Signature]

State of Missouri

Mel Carnahan, Governor

Department of Economic Development

Division of Job Development & Training

P.O. Box 1087

Jefferson City, Missouri 65102-1087

(314) 751-4750

Fax # (314) 751-6765

May 18, 1993

Mr. Louis W. Smith, President
Kansas City Division
AlliedSignal, Inc.
P.O. Box 419159
Kansas City, Missouri 64141

Dear Mr. Smith:

Thank you for the opportunity to review AlliedSignal's restructuring plans. The plan shows a great deal of concern and respect for your workers. I commend you for your concern.

As you may know, the Division of Job Development and Training has provided Rapid Response informational meetings for groups of laid-off AlliedSignal workers in the past and will be available to assist in this restructuring plan.

Division staff in cooperation with the Full Employment Council and UMKC's Project Refocus will assist in coordinating the services available through the Worker Reentry Program with the assistance proposed in AlliedSignal's restructuring plan.

If I can be of additional assistance to you on this matter, please call me at (314) 751-7796.

Sincerely,

[Signature of Larry Earley]

Larry Earley
Director

LE:RB:dp

cc: Tom Sullivan
Rebecca Sterling
David Haldiman



RECEIVED
MAY 24 1993
Louis W. Smith

ROCKHURST COLLEGE



OFFICE OF
THE PRESIDENT

CDM
FILE *Lo*
EXCELLENCE IN THE JESUIT TRADITION

May 18, 1993

Louis W. Smith
President
AlliedSignal Aerospace Company
Kansas City Division
P.O. Box 419159
Kansas City, MO 64141-6159

Dear Lou,

It is a most difficult time for individual workers, companies and the community as comprehensive restructuring requires the loss of significant numbers of jobs. Changing international relationships and a new defense environment are rapidly bringing those challenging times to AlliedSignal Aerospace and to Kansas City.

Thank you for sharing with me and the Rockhurst community the outline of AlliedSignal's work force restructuring plan for the Kansas City Plant. It is thoughtfully conceived, fair, prudent and well-focused on the personal, community, professional and training needs encountered in a restructuring program. As you know, over 115 Rockhurst students and alumni (including yourself!) work at AlliedSignal. Rockhurst endorses the restructuring plan and will support its implementation to the best of our ability.

AlliedSignal Kansas City is known throughout our community for its leadership in the quality movement, for the extraordinary capabilities of its workers and leaders and for their special commitment to continuous learning and improvement. It is a great enterprise, particularly thanks to your leadership. We hope there will be a way to make positive use of that quality work force for meeting new needs and ventures as The Department of Energy, other branches of the federal government and other groups identify new missions for the Kansas City plant to achieve.

With very best regards,

Thomas J. Savage
Thomas J. Savage, S.J.
President

TJS:cs

RECEIVED

MAY 21 1993

Louis W. Smith

***Attachment 10
Summary and Tabulation
of Employee Stakeholder Comments***

Summary of Employee Stakeholder Comments

On May 13, 1993, Contractor employees at the Kansas City Plant were asked to comment on the DOE *General Planning Guidelines for Work Force Restructuring* and the *Outline of Proposed Work Force Restructuring Plan*.

A total of 815 comments were received from 544 employees--12.3% of the total Kansas City Plant work force--by the requested May 18, 1993 due date. The two documents were well received; there was considerable positive comment from employees about being asked to take part in the process of developing the Plan. The responses covered a wide variety of subjects, which are summarized in the pages that follow.

Separation/Notification Pay

Seventy-six of the comments (9.3%) dealt with the separation pay schedule. The primary concern was that the distribution of payments might be excessively taxed. Employees indicated they would like to choose the payment option--lump sum or extended payout--providing the most favorable tax advantage. Some asked for a change in the policy of basing separation benefits on 5-year increments of service after 20 years of service rather than on yearly computations as is done from 1 to 20 years of service. There was also a concern voiced that after 30 years of service no incremental increases are offered.

Medical Benefits

Of the 62 (7.6%) comments received concerning the medical care benefits, the majority indicated that the medical insurance for employees who voluntarily or involuntarily leave the work force should be continued for three years at the current employee contribution rate as well as continued dental and vision insurance. A few questioned what life insurance benefits would be provided.

Supplemental Training

Most of the respondents wanted a better understanding of the educational assistance offered. They stated that they would like to see broad coverage of educational expenses. Some suggested extending the two-year proposed program to four years to allow completion of a bachelors or graduate degree. A total of 59 comments (7.2%) dealt with subjects related to this category.

Outplacement Assistance

The proposed outplacement assistance will satisfy expectations. Fewer than 3% of the employees who responded addressed this subject.

Relocation Assistance

Based on responses (less than 1% of the work force), relocation does not appear to be a concern.

Community Assistance

Based on responses (less than 1% of the work force), the proposed community assistance program does not appear to be a concern.

Early Retirement Incentives--Not specifically mentioned in the Restructuring Plan

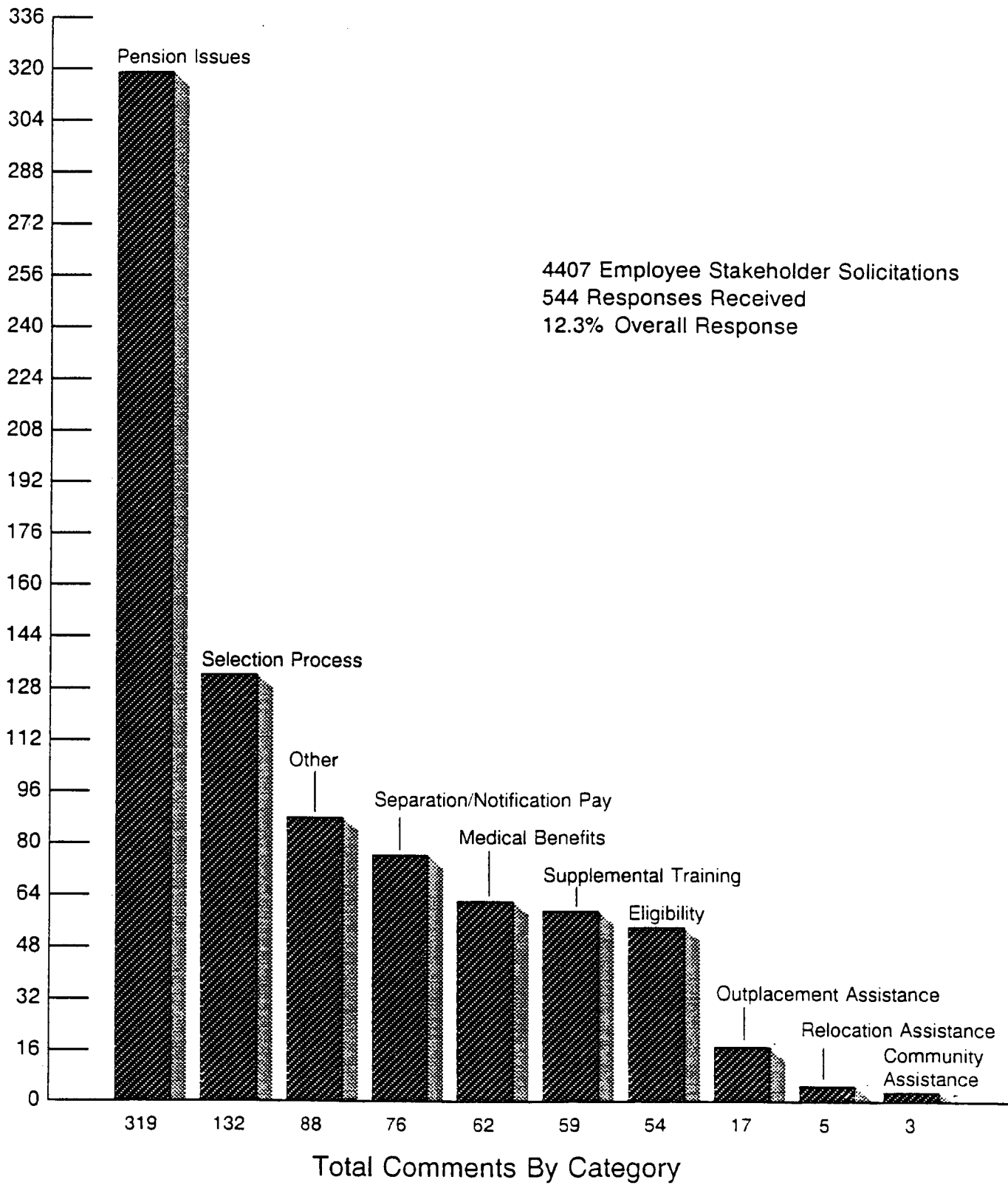
Retirement incentives were the most frequently mentioned area of interest. There were 319 comments (39% of the total) relating to bridging of service to retirement eligibility, adding years to service and age, and eliminating pension reduction percentages for early retirement.

Other Comments

Other comments received were directed to the process of selecting candidates for the involuntary reduction. Primarily, employees would like to know which job classifications will be included in the reduction in force prior to making a decision to leave the work force voluntarily. These comments will be taken into consideration as practices are implemented to manage the reduction in the best interests of the DOE. Contractor management will take whatever steps necessary to ensure that the remaining work force has the skills necessary to meet the mission of the Kansas City Plant.

Statistical Data

The 815 comments received from the 544 employees have been graphically summarized on the following page.



Comments equal more than 544 because many respondents had more than one comment

Attachment 11
Revised RIF Impact
Notification to Contractor Employees



Comments & Credits

Special issue Friday, July 2, 1993

Incentive package offered to associates who volunteer for reduction in force

The DOE today formally approved AlliedSignal's request to offer an enhanced incentive package to associates who wish to leave the company voluntarily. The package is designed to minimize the impact of the work force reduction announced earlier this year.

The voluntary reduction in force (VRIF) incentive package is similar to the 1992 VRIF program, with the addition of educational assistance and health insurance benefits continuation for an extended period following separation.

Detailed information about the VRIF program will be explained in a letter to be distributed Tuesday, July 6, to all associates.

The application period for the VRIF program will begin Tuesday, July 6, and end Wednesday, July 21. Associates in certain job classifications will be restricted from volunteering for the program; those classifications will be listed in Tuesday's letter.

Not everyone who applies for the VRIF will necessarily be accepted. The DOE's latest budget guidance indicates the Division's work force will have to be reduced by 200 to 250 people—not the possible 900 indicated by earlier figures. Based on the new numbers, it will be necessary to control the number of volunteers more closely than in the 1992 VRIF.

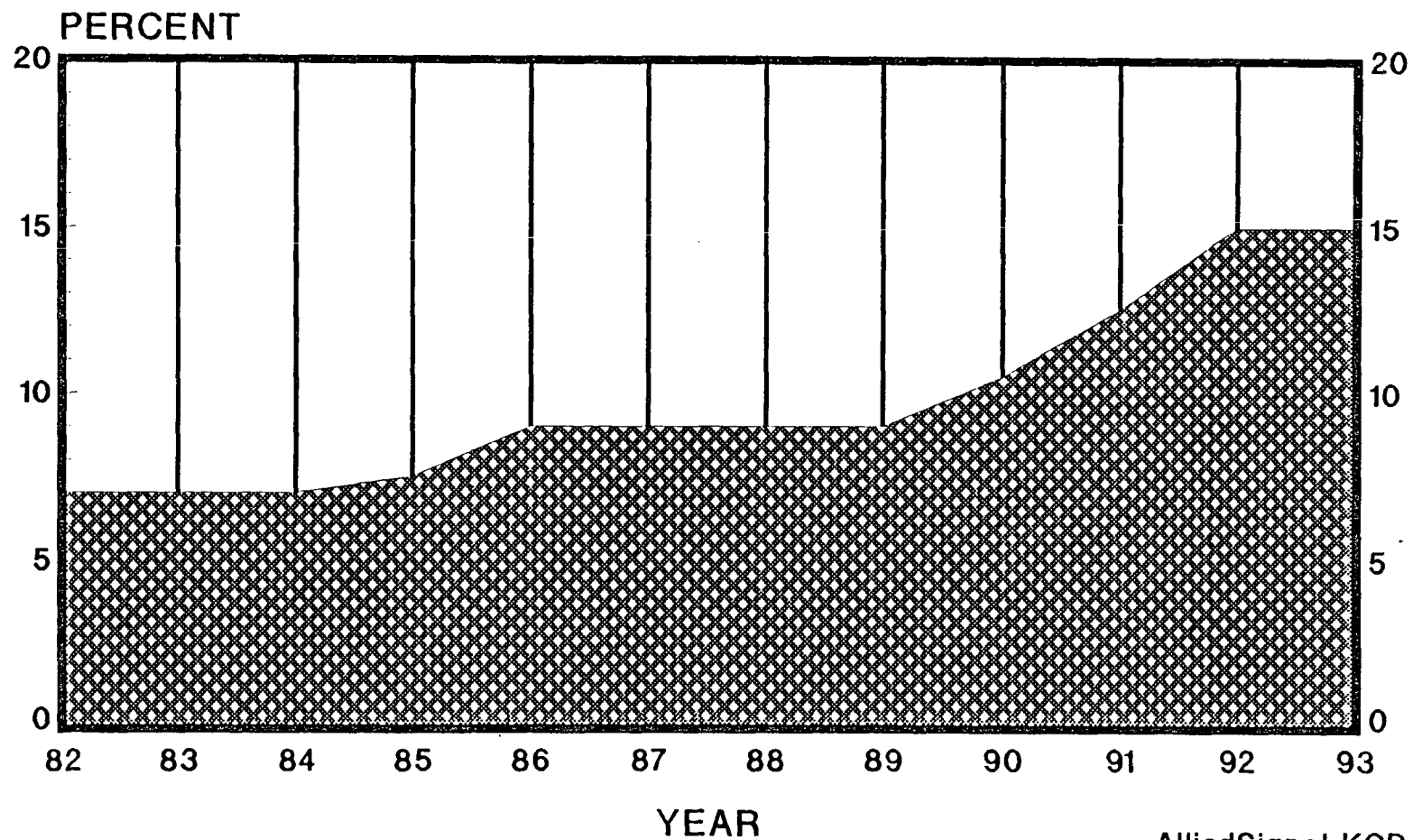
The necessity of an involuntary layoff will depend primarily on two factors: the number of applicants for the VRIF, and the mix of job classifications of VRIF applicants.

The letter associates will receive Tuesday will include a list of benefits being offered to those who apply for the VRIF.

Attachment 12
Growth in Tuition Aid

TUITION AID FOR EMPLOYEES as a percent of headcount

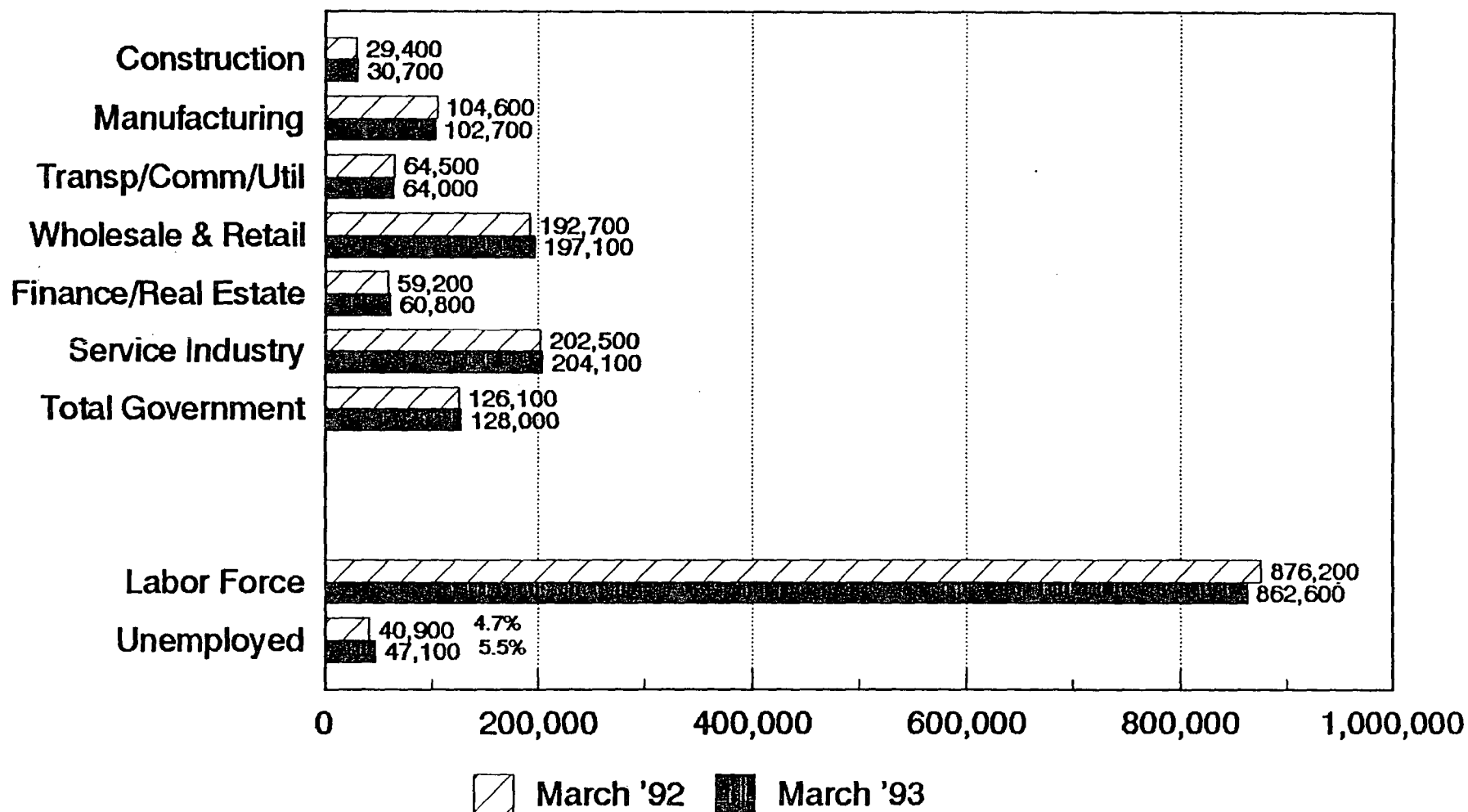
% of H/C



AlliedSignal KCD

Attachment 13
Greater Kansas City Labor Market
Unemployment Statistics

Greater Kansas City Labor Market



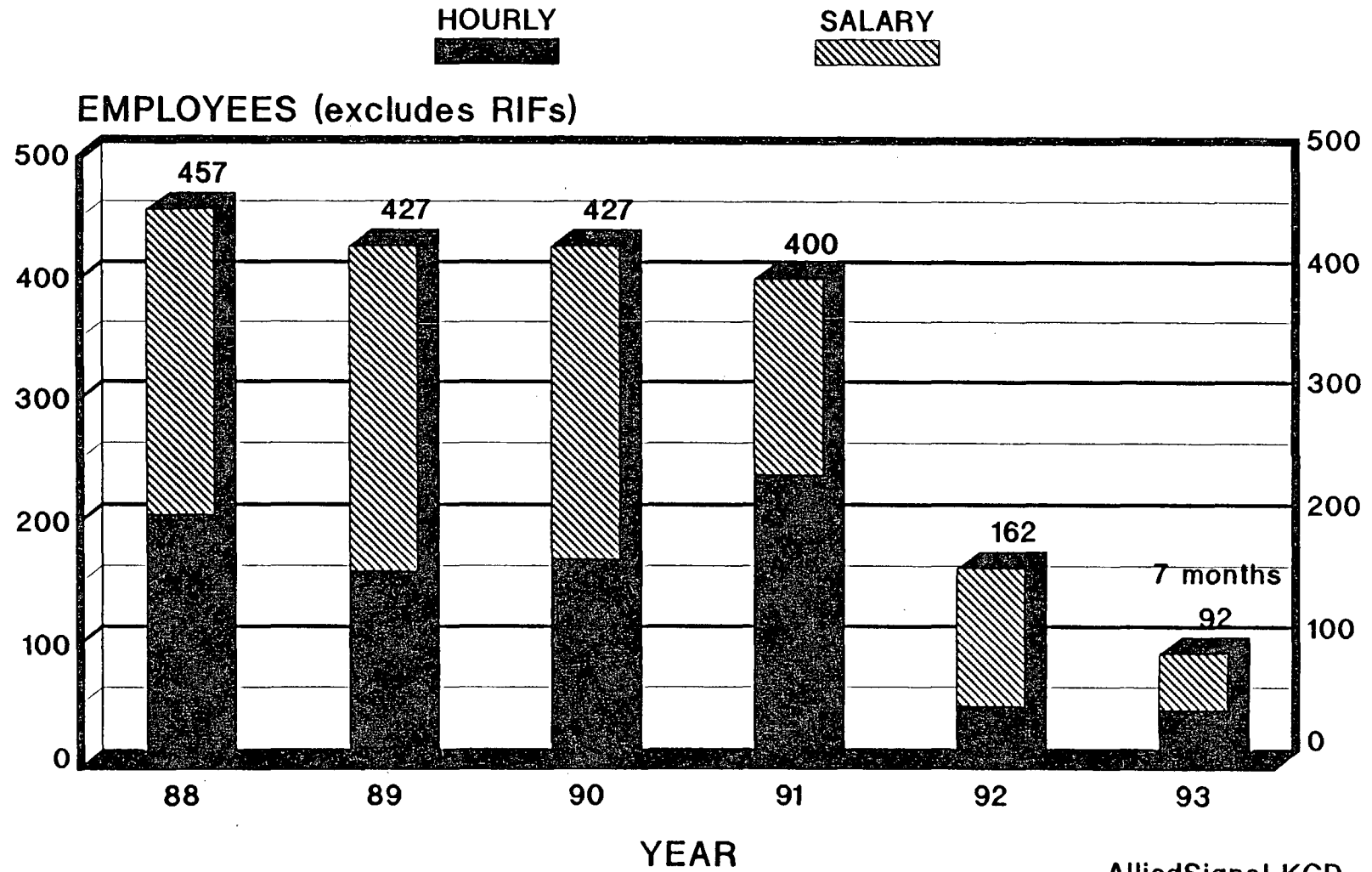
Source:
 Missouri Dept of Labor & Industrial Relations

5/20/93

Attachment 14
Kansas City Plant Employment
and Attrition Data

KANSAS CITY PLANT ATTRITION

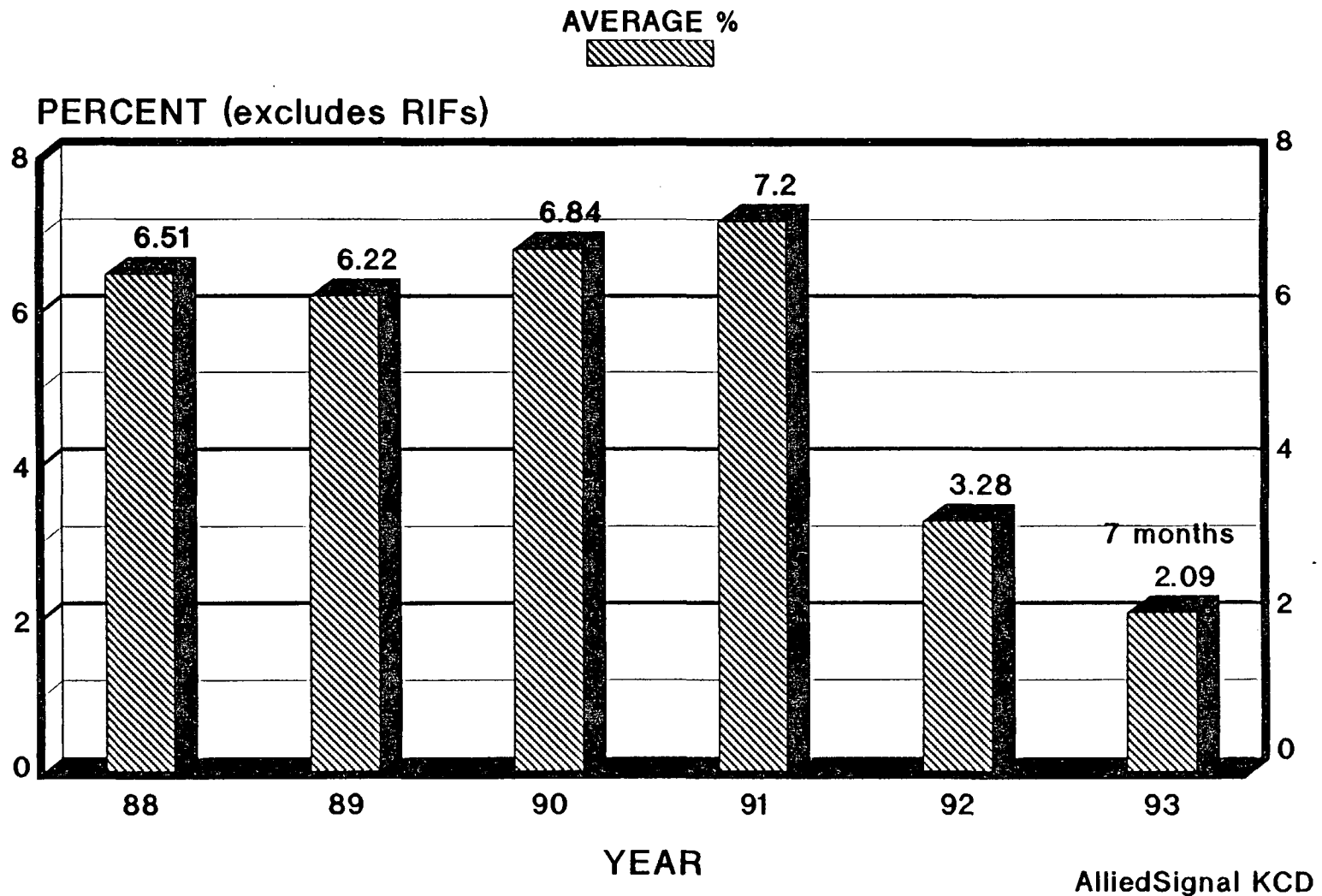
1988 through July 1993



AlliedSignal KCD

KCP AVERAGE PERCENT OF ATTRITION

1988 through July 1993



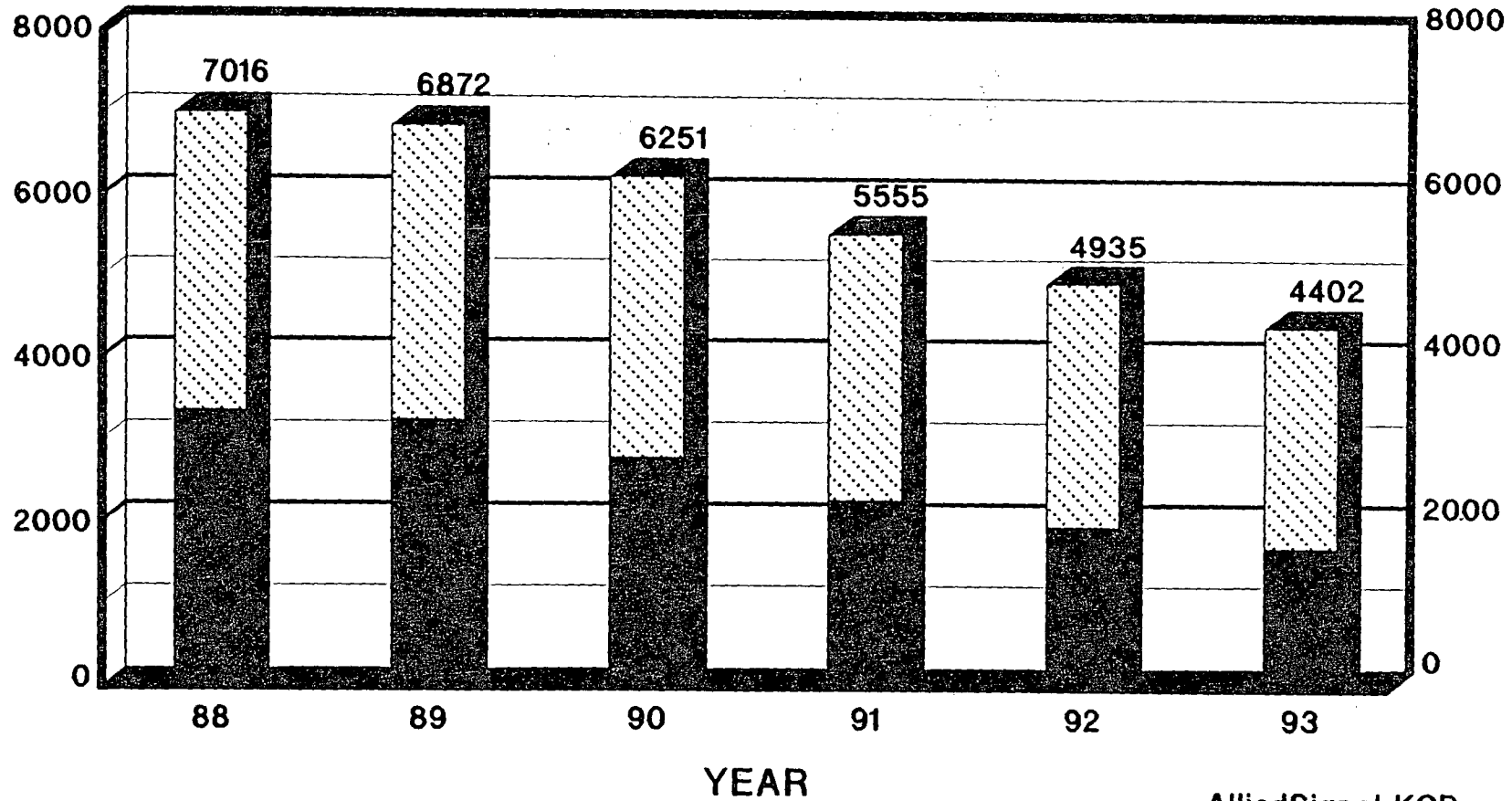
KANSAS CITY PLANT EMPLOYMENT

1988 through July 1993

HOURLY

SALARY

EMPLOYEES



AlliedSignal KCD